FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Britain: pressure for consensus government, Page 19

NEWS SUMMARY

GENERAL

U.S. will spell out weapons talks plan

The U.S. will soon supply the Soviet Union with further details of President Reagan's proposal for resuming arms control talks under a single "umbrella," State Department officials said in Washington.

The Soviet Union has asked the U.S. to spell out the "unprecedented" proposal more clearly before it makes a definitive response.

Moscow wants to know where and at what level talks might be held; where the U.S. thinks they might lead and what issues would be discussed first.

Mr George Shultz agreed to stay on as U.S. Secretary of State in the second Reagan Administration, at the President's request. Page 20

Deutsche Bank probe

Deutsche Bank, West Germany's largest, is being investigated on suspicion of evading tax on donations to political parties, Bonn public prosecutor's office said. The bank's board earlier issued a public statement denying it had ever tried to buy favours or avoid tax on political donations.

Lebanon role

Lebanon said it was willing to accept an expanded role for United Nations peace keeping forces to oversee security in south Lebanon after an Israeli troop withdrawal from the occupied region. Page 4

S. Africa proposal

South Africa presented its own counter-proposals to the Angolan offer of a partial withdrawal of Cuban troops. Page 4

Argentine 'rift'

The Argentine Government moved swiftly to defuse reports of a serious rift within the armed forces after the resignation of the nine members of the Supreme Council, the country s highest military court. Page 5

Bolivia call

Bolivia's opposition urged the Government to resign and call early elections as a general strike paralysed the country.

Channel link nearer

Anglo-French working party will advise on standards for Channel tunnel schemes within three months. Page 7

Forger released

Konrad Kujau, confessed Hitler diaries forger, on trial for his part in the DM 9.3m ($3.1m) literary hoax, was freed after 18 months in inves- ive custody.

...en priests

England's governing ...eneral Synod, voted in ... ...n priests.

...ss World

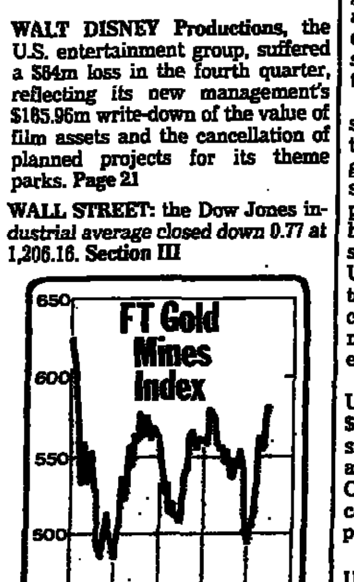
Astrid Herrera, Miss Venezuela, won the *Miss World* contest in London. Miss Canada, Connie Fitzpatrick was second, and Miss Australia, Lou-Anne Ronchi, third.

BUSINESS

Disney hit by $165m charge

WALT DISNEY Productions, the U.S. entertainment group, suffered a $64m loss in the fourth quarter, reflecting its new management's $165.96m write-down of the value of film assets and the cancellation of planned projects for its theme parks. Page 21

WALL STREET: the Dow Jones *industrial average closed down 0.77 at* 1,206.16. Section III



GOLD fell $1.75 on the London bullion market to $344.00. It also fell in Frankfurt and Zurich to $343.75. In New York the December Comex settlement was $34.80. Page 40

DOLLAR was weaker in London, *falling to* DM 2.961 (DM 2.971), SwFr 2.441 (SwFr 2.4475) and FFr 9.0875 (FFr 9.115). It was unchanged at Y242.35. On Bank of England figures, its trade-weighted index rose to 139.1 from 138.8. In New York it was DM 2.969, SwFr 2.4495, FFr *9.12*, Y243.0. Page 41

STERLING showed small mixed changes in London, rising 20 points to $1.2623. It was also firmer at FFr 11.485 (FFr 11.4825) and Y305.75 (Y305.5), unchanged at DM 3.7425, but eased slightly to SwFr 3.08 (SwFr 3.0825). Its exchange rate index was steady at 76.5. In New York it was $1.254. Page 41

U.S. MONEY SUPPLY: M1 rose $2.7bn to $546.7bn in the week ending November 5.

TOKYO stocks showed slight downturns, with the Nikkei-Dow market average off 19.28 at 11,301.62. Section III

LONDON equities drifted lower, taking the FT Industrial Ordinary index 12.1 down to 911.6. Gilts trimmed earlier losses. Section III

ISRAEL'S inflation reached a record in October. Prices rose 24.3 per cent in the month, bringing the an*nual rate to 1,260 per cent.* Page 4

U.S. TREASURY will offer $1bn of five-year, two-month notes aimed at foreign investors, for sale on November 28, with a $6.75bn domestic offering. Page 42

BRAZIL has cut sharply its current account balance of payments deficit forecast to less than $1bn from an original $5.5bn after a sharp improvement in the trade surplus.

SOVIET industrial output rose 4.4 per cent *in the first 10 months of* ...ear, considerably above tar... ...ding to the weekly Eco... ...zette. Page 3

...GARY is reconsidering its ear... approach to the International *Monetary* Fund for a new standby credit because it considers it may have enough hard currency reserves and export earnings to service its foreign debt. Page 3

AIRFARES: Britain rejected a new attempt by British Airways, Pan Am *and TWA to launch cheap* transatlantic fares available for short periods before Christmas. Pages 20

F. W. WOOLWORTH, U.S. stores group, increased profits growth in the third quarter with an increase from $20m to $26m, lifting the nine-month total from $37m to $49m. Page 21

BankAmerica and First Chicago to boost capital ratios

BY WILLIAM HALL AND PAUL TAYLOR IN NEW YORK

BANKAMERICA and First Chicago, two of the biggest U.S. banking groups, said yesterday they had agreed to increase the capital levels of their banking units under pressure from the U.S. Comptroller of the Currency.

The move, part of a package of specific operating agreements with the government's bank industry regulators, represent the most visible sign so far of the much tougher approach by the authorities aimed at *boosting bank capital adequacy* and strengthening the soundness of the U.S. financial system. Bank regulators have come under intense criticism in Congress in the aftermath of the near-failure of Continental Illinois earlier this year.

BankAmerica, the second largest U.S. banking group with assets of $121bn, said its main banking subsidiary, Bank of America, had agreed with the Comptroller of the Currency to increase its primary capital ratio from 4.8 per cent to 6 per cent by the end of *1986*.

First Chicago, the 10th largest U.S. banking group, which last month reported a $71.8m third-quarter loss following a $279m write-off against troubled loans, said in a filing with the Securities and Exchange Commission (SEC) that its subsidiary, First National Bank of Chicago, had agreed with the Comptroller to increase its capital ratio from 5 per cent to at least 6 per cent.

The Comptroller's move came as a surprise since bank regulators have until now appeared to concentrate on bank holding company capital ratios rather than those of their subsidiaries. Most big banking groups have already begun to bolster the parent company capital ratios.

BankAmerica's primary capital ratio is 5.7 per cent, just above the proposed 5.5 per cent minimum regulators are seeking to impose.

Mr Leland Prussia, chairman of BankAmerica said his company had focused on building the capital ratios of the holding company rather than on any particular subsidiary. "Over the next two years we will increase the bank's ratio to 6 per cent from a combination of earnings, available funds and the issuance of new capital instruments by the corporation in the securities markets.

BankAmerica's earnings have been sliding since 1980 and its non-performing loans now total $3.47bn – equivalent to 4.16 per cent of its loan portfolio.

Mr Prussia noted yesterday that the bank's loan losses were running at "high levels" but said its level of non-performing loans had declined over the last two quarters and "while it is still too early to classify this as a trend, it is an encouraging sign."

BankAmerica's net income fell 11 per cent in the first nine months this year to $302m from $338m. Its return on assets, which had been running at more than 0.6 per cent at *the end of the 1970s, is now running* at 0.33 per cent.

First Chicago, which until recently appeared to have recovered from its problems in the 1970s, is also being subjected to much tougher scrutiny after a review by U.S. bank examiners earlier this year which led to the massive loan write-offs and third-quarter loss.

The group said yesterday the increased capital requirements would entail the raising of about $355m in new capital. As part of a November 13 agreement with the Comptroller it was reviewing its commercial deposit gathering operations and would maintain a "contingency plan

Continued on Page 20

Background, Page 21

Industrial output points to slower U.S. growth

BY STEWART FLEMING IN WASHINGTON

U.S. INDUSTRIAL production was unchanged in October from the September level, the Federal Reserve Board reported yesterday, reinforcing fears that the summer pause in economic growth will ex*tend throughout the second half of* the year.

Industrial production had fallen in September by 0.5 per cent from the previous month.

With a report from the Commerce Department of a further significant rise in business inventories in September, which many economists believe to be unplanned, the industrial production figures are being seen as possibly indicating that U.S. businesses are cutting back in output in order to get production balanced with demand.

The picture of a weakening economy is reinforced by a rise in new claims for unemployment insurance and by figures from the Federal Reserve showing that consumer credit in September rose by $4.28bn, compared with a $6bn rise in August.

The accumulating evidence of weakness in the economy, even in the retail sector, has come as a surprise to many economists who had expected the economy to recover from the summer slowdown, when the growth of real gross national product slipped to 2.7 per cent in the third quarter from 7.1 per cent in the second.

Indeed, many economists are forecasting that with consumer confidence high and personal income rising. Christmas will see retail sales surge and contribute to higher fourth-quarter growth.

Some economists, however, including those at Goldman Sachs Economics in New York, are suggesting that a reason for the continued weakness of the domestic economy could be a continued deterioration in the U.S. trade accounts and that an increasing proportion of U.S. demand is being met from abroad.

The firm is projecting a fourth-quarter real growth rate of around 2.5 per cent, but warns that there are risks that this level might not be achieved.

The October data will intensify the debate on Wall Street about whether the U.S. is merely going through a rather lengthy pause in the economic expansion – which is not unusual in cyclical recoveries – and that growth will recover next year as the Reagan Administration expects.

SGI-Sogene calls for receiver following losses of L52.5bn

BY ALAN FRIEDMAN IN MILAN

SGI-SOGENE, Italy's oldest construction group and the company responsible for projects as diverse as the Watergate building in Wash*ington, the Nairobi airport* and the Loew's Monte Carlo hotel, said yesterday it was seeking court-appointed receivership.

A Sogene executive in Rome yesterday said the company faced losses for 1983–84 which amounted to *L52.5bn* ($28.5m), *which is half* the company's net worth. The deficit stems mainly from interest charges on Sogene's L200bn debt burden.

"We are in a grave financial situation. We face financial charges of L40bn on total turnover of L190bn. That is an impossible situation," a company official said.

The Rome-based construction group employs 1,000 workers.

Sogene, which was founded in 1862, was one of the first companies to work for the Italian state after unification. After the Second World War Sogene became a big public works contractor, helping to rebuild the cities of Milan, Pisa, Genoa and Livorno.

In the late 1950s it began work *overseas and its achievements* include buildings along the Champs-Elysée in Paris, a satellite city for 100,000 in Mexico and the Caracas subway system. Apart from these projects and many large undertakings in Italy such as runways at *Rome's Fiumicino airport*, Sogene is also the company which won the contract to build Washington's famed Watergate complex.

In 1971 Sig Michele Sindona, the convicted Sicilian financier recently extradited from the U.S. to Italy to face *trial* on fraudulent bankruptcy, extortion and conspiracy to murder, took effective control of Sogene.

When Sig Sindona's Franklin National Bank and Italian banks collapsed in 1974, the Banco di Roma took control of Sogene. Later in the 1970s a consortium of Rome construction companies was brought in to take shareholdings.

The largest single shareholder today is Sig Arcangelo Belli, a well-known Roman construction entrepreneur who has 35 per cent of Sogene. *His stake is in part pledged to* Banco di Roma, one of 21 principal bank creditors.

Last year Sogene presented a restructuring plan which called on the banks to reschedule debt. The plan was eventually agreed in July of this year, but it was already too late. With a net worth of L105.7bn, Sogene is now facing a total deficit of L52.5bn. It has asked the courts to declare a moratorium on debt repayments and to place the holding company in *amministrazion controllata*, a form of receivership.

The hope is that within a year or so it will be possible to restructure, or find a buyer who will support Sogene. In Italy companies can and do emerge from court-appointed receivership – the Rizzoli-Corriere Della Sera is one example.

'Libyans in Chad' claim as Gadaffi meets Mitterrand

By David Marsh in Paris and Andriana Ierodiaconou in Elounda, Crete

PRESIDENT François Mitterrand, who flew to Crete yesterday for talks with Col Muammer Gadaffi, the Libyan leader, faces deep embarrassment over revelations from U.S. spy satellites that Libyan forces are still occupying the northern part of Chad.

M Mitterrand's surprise talks with the Libyan leader, after a joint statement from Paris and Tripoli at the weekend announcing the end of the countries' armed clashes in the Central African state, is likely to run into strong domestic criticism.

M Mitterrand will be hoping that this will be defused by the conciliatory note struck by Col Gadaffi after yesterday's talks hosted by Dr Andreas Papandreou, the Greek Prime Minister.

The Libyan leader spoke of a "new page" in his country's relations with France and confirmed a statement by Dr Papandreou that "not a single Libyan, not a single French soldier should remain in Chad."

While the talks were under way in Crete it was confirmed in Paris that the U.S. had recently passed to Paris satellite information showing a continued substantial presence of Libyan troops south of the Tripoli-annexed Aozou strip in northern *Chad*.

This information contradicts the official French line, backed up by ground surveillance by observers in northern Chad, that the Libyans were complying with the troop evacuation accord worked out with Paris in September.

In contrast to a statement on Wednesday to the United Nations in New York by M Jean-Michel Baylet, State Secretary for Foreign Affairs, that Libyan troops had "completely *withdrawn*," M *Claude* Estier, *the* Socialist chairman of the parliamentary foreign affairs commission, told the National Assembly yesterday that "several hundred" Libyan soldiers could still be in Chad.

The 15-month presence of French soldiers to support the embattled Government of President Hissene Habre has so far met with broad support in France. Indications that M Mitterrand is showing signs of weakness by meeting Col Gadaffi when the Libyans are still heavily engaged in Chad, however, are likely to be unpopular.

M Jean Lecanuet, leader of the right wing UDF party, said yesterday that it would have been "more normal" for Col Gadaffi to have gone to Paris rather than meeting M Mitterrand in Crete.

OECD warns France over young jobless

BY PAUL BETTS IN PARIS

FRANCE has been urged by the Organisation for Economic Co-operation and Development (OECD) to use unconventional methods and make substantial changes in its education system, to fight soaring youth unemployment.

In a report specially commissioned by the French Government, the OECD warns that the country "just cannot live with such high levels of youth unemployment."

The situation in France, where young people make up half the unemployment total, is alarming because youth unemployment has continued *to rise despite a fall* in the youth population.

Pointing out that the situation is more serious in France than in most other industrialised countries, the OECD study warns that there is "no cheap solution." Not even a *higher rate of economic growth* would solve the problem, it says.

The new job opportunities stimulated by growth would have to be coupled with other efforts to create demand for labour "even in the face of conventional wisdom," the report suggests.

It supports recent attempts, including the shortening of working hours, to tackle the problem, but urges the Government to take new initiatives.

Specifically, the OECD report recommends an extensive overhaul in the education system and a considerable increase in the resources available to education.

The present system, the OECD says, puts too heavy an emphasis on intellectual accomplishment and produces a large number of "losers" at each step in the educational process.

Drop-outs – or *les exclus* as they are known in France – make up between 100,000 and 250,000 of the 800,000 annual school leavers, the OECD calculates.

It advocates that different training methods be adopted for this large group, to overcome feelings of frustration, defiance and indifference, and to build up their self-confidence and interest in work.

French education should be more tightly linked with working life, the report suggests. It calls for changes in the occupational guidance system to link school more closely with work. It also favours the introduction of tutorial methods for students.

Other recommendations include a greater use of modern technology in schools, apprenticeships geared to industrial needs and an expanded role for the national training agency in developing active labour market strategies for young people.

In urging that more help be given to young women looking for jobs, the OECD says that no means to correct sexual discrimination should be dismissed.

Job creation challenge for Fabius, Page 3; European unemployment, Page 18

UK miners' leaders reaffirm hard line

BY JOHN LLOYD AND PETER RIDDELL IN LONDON

THE LEADERSHIP of Britain's National Union of Mineworkers (NUM) yesterday responded to the growing pressures upon it by closing ranks and reaffirming its determination to continue its fight against pit closures.

Its national executive met in Sheffield, Yorkshire, to consider its strategy in the 36-week pit strike against a background of a continued return to work by miners and *criticism within the labour move*ment of violence on the picket lines.

Another 710 men returned to work yesterday, bringing the total since the start of last week to nearly 7,000. The National Coal Board (NCB) claims that over 58,000 NUM members are now working out of a total of 180,000.

At the Sheffield meeting the NUM's leaders were able to assert their dominance over the rest of the executive without difficulty. A resolution was carried which reaffirmed all previous decisions and called on more support from other unions.

The executive also decided on a programme of rallies and meetings in mining communities and to seek meetings with church leaders and other groups which had expressed sympathy. There was no decision to call a national ballot.

A group of centre and right-wing executive members tried to suggest a compromise position to the coal board as a basis for restarting talks. This move was defeated when Mr

Continued on Page 20

UK steel output up, Page 20; confusion over energy policy, Page 19

CONTENTS

Angry clash as Strauss defends Flick donations

BY RUPERT CORNWELL IN BONN

THE LEADER of the conservative Bavarian-based CSU, Herr Franz Josef Strauss, clashed bitterly last night with Left-wing members of the parliamentary committee probing donations he has admitted were received by his party from the Flick industrial group.

Sharp tongued and truculent as ever, he left no doubt that, as far as he was concerned, there had been nothing wrong with the payments.

He flatly denied—as have all leading politicians interrogated by the committee—that he had in any way helped with the controversial DM 800m (£214m) tax waiver secured by Flick in the late 1970s and early 1980s.

The most acid exchanges came between himself and Herr Otto Schily, the leading member of the radical Greens party on the committee, who has long since proved himself its most formidable and provocative exponent.

Earlier, Herr Willfried Penner of the SPD, the deputy chairman of the panel, charged that the CSU had received, on the basis of Flick's own records, DM 3.3m between 1974 and 1980, of which DM 2.3m had been notated as "on account of FJS." Herr Schily then concentrated on "several hundred thousand marks" which, he alleged, had been made over in envelopes full of cash. Herr Strauss replied that he had no recollection of such transactions.

But his temper snapped as Herr Schily pursued his questioning, about how funds received personally from Flick had been made over to the coffers of the CSU. This was an internal matter for the party, Herr Strauss maintained. Nor was it for him to ask "where Herr Schilly in his day had obtained his fees as a lawyer in terrorist trials."

The rejoinder prompted Herr Schily last night to announce he would sue the Bavarian politician for slander, for suggesting that he had been paid from the proceeds of bank robberies by the Baader-Meinhof terrorists he had defended in the 1970s.

Herr Schily also insisted yesterday that Chancellor Kohl would have to make a second appearnace before the committee, following what he claimed was new evidence that Herr Kohl had had prior knowledge of the lucrative consultancy contract placed by a Frankfurt law firm in 1973 with Herr Rainer Barzel, the former Bundestag president.

The conviction Herr Kohl is likely to express in today's Bundestag debate on party financing—that there is nothing intrinsically wrong with donations by industry to political parties—will have been reinforced by an unusual statement from the Deutsche Bank, the largest and most venerable commercial bank in West Germany.

In a pronouncement signed by all 12 of the bank's main board members, the bank said it had made political donations of DM 29m since 1957.

But these had been regularly declared and booked. Not only had the financial authorities been fully informed of the favourable tax treatment of such donations "but this was known and approved by the parties, Ministers and other officials."

Electrical sector orders up

BY JOHN DAVIES IN FRANKFURT

THE ELECTRICAL industry in West Germany is performing strongly this year, with impetus coming particularly from export orders.

New orders during the first nine months of this year were running 14.2 per cent ahead of a year ago. Export orders were as much as 20.5 per cent better, while domestic orders were up a healthy 10.9 per cent.

The sharpest growth rate has been in data processing and communications technology, along with electronic components, while other sectors, such as consumer electronics, have lagged behind.

Professor Rudolf Scheid, chief executive of the Electrical Industry Association (ZVEI), said that the value of production this year would probably be 7 per cent ahead of last year in real terms.

Romania's mining and oil ministers replaced

By Leslie Colitt in Berlin

PRESIDENT Nicolae Ceausescu has completed the wide-ranging changes, begun earlier this year, in Romania's Government and Communist party by appointing new oil and mining ministers.

The appointments of Mr Ilie Cissu (Oil) and Mr Maria Stefanache (Mining) come as Romania's flagging oil production seems set to fall 1m tonnes short of its 14m tonnes target and coal output is unlikely to come near the 61.7m tonnes goal for the year.

Mr Ceausescu has changed his ministers of oil and mining three times in the past four years, while production targets have been regularly revised down.

Earlier this year, 58 senior government and party officials including the key ministers of agriculture and electric power, were dropped or switched. The two ministers were blamed for not taking responsibility for grave shortcomings in their industries which led to a re-introduction of rationing in 1981 and widespread power cuts last winter.

A draft programme for Romania's economic development in the next five-year plan to 1990 is to be discussed at the Communist Party congress which opens on Monday.

Planned growth in electricity production is half the previous target. No mention is made of crude oil targets in the programme and, in fact, the previous goal of energy self-sufficiency was recently dropped.

The draft sets a target for grain production of up to 33m tonnes annually by 1990, compared with a record 22.6m tonnes this year. Mr Ceausescu said recently, however, that twice the amount of grain envisaged in the programme would have to be produced. Output of meat, vegetables and milk is also to be boosted greatly.

Average annual industrial production over the period is intended to be between 6 per cent and 6.5 per cent. This compares with some 5 per cent which Mr Ceausescu said has been achieved so far this year, and with 4.8 per cent last year.

STEELMAKERS PRESS FOR SECURITY OF SUPPLIES

EEC may curb scrap metal exports

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Community may help steel producers in Belgium, Denmark, Italy and Ireland by controlling exports of scrap metal.

The Commission said yesterday that Herr Wilhem Haferkamp and Viscount Etienne Davignon, respectively the commissioners for external affairs and industry, had been asked to draw up proposals for relieving the tension in the scrap metal market.

The issue will be discussed by industry ministers next week. They will have before them a report from the Commission which shows that the international market is changing as good quality scrap becomes less available. But demand is increasing from expanding steel producers like Spain, South Korea, India and Turkey.

At the same time, prices have increased. The price rose over 50 per cent last year to $89.50 a tonne but has since slipped to $79.17. But in Ecus prices have doubled.

Scrap metal is essential for electric steel producers and the four countries most affected have pressed for export controls as a means of obtaining security of supplies. Such pressure could be resisted next week by France and West Germany.

The Commission's thinking is believed to favour an export ceiling of about 6m tonnes, the estimated level of exports this year, but EEC supply and demand is thought at present to be roughly in balance.

In other moves affecting the steel industry, the Commission has decided:

- To abandon giving extra production quotas to producers well advanced in their restructuring from April 1, 1985, considering that the process of change is sufficiently advanced to make the use of such incentives superfluous.
- To group together into one production quota category the main coated products from January 1, 1985, in order to meet the changing demands of consumers and their greater need for rust-proof material.

Friend and foe unite to oppose farm plans

BY QUENTIN PEEL IN STRASBOURG

OPPONENTS and supporters of the EEC farm lobby joined forces in the European Parliament yesterday to demand a say in plans to impose long-term spending curbs on the Community.

Both sides condemned the proposals agreed on Monday by the EEC finance ministers, very largely at British insistence, after months of negotiations.

French Gaullists denounced them because they might succeed in restricting the inexorable increase in farm spending—as indeed they are intended to do.

However, MEPs who would normally support such controls warned that the ministers' plan for budgetary discipline might have the opposite effect, by cutting off the cash from new Community policies in areas such as research and technology, regional and social affairs.

They united in agreeing that the plans were an unwarranted interference in the jealously-guarded budgetary powers of the Parliament, and in calling on the Council to change them, or face a challenge in the European Court.

The lates round in the budgetary tussle between the Parliament and the Council of Ministers—the two official arms of the EEC budget authority—came just a day after the Parliament had approved major amendments to the 1985 draft budget submitted by the Council.

Yesterday the MEPs set out their demands that the plan for long-term spending curbs should provide both for formal consultation before any spending ceiling is fixed and for more flexibility on non-farm spending.

Mr Pieter Dankert, the Dutch Socialist and former president of the Parliament, said the Council plan "violates Parliament's rights, and threatens to affect the whole development of the Community."

He warned that although the system was intended to control farm spending, it could result in the cost of the Common Agricultural Policy (CAP) absorbing almost all the available funds within the ceiling on EEC revenues, resulting in a real fall in non-farm spending.

M Christian de la Malene, leader of the alliance of French Gaullists and Irish Fianna Fail members, condemned the plan for the opposite reasons: "It means that agricultural prices cannot be increased in real terms," he said. "We are going to reduce the real income of farmers. It is threatening the CAP. We will fight it for agriculture."

Mr Terry Pitt, a budget spokesman for the British Labour members, the only significant group to abstain or oppose the move, condemned those in favour as "an unholy alliance" of the farm lobby and the rest.

A top-level delegation of MEPs is to meet the finance ministers next week for talks on the whole system, but M Jean-Pierre Cot, chairman of the budget committee, warned yesterday that if they failed to agree on changes, the Parliament would take its case to the European Court.

EEC BUDGET ESTIMATE
(Ecu m)

	Council draft	Parliament amended
Cap guarantee	18,000	19,192
Cap guidance	686	724
Fisheries	110	125
Regional and transport	1,684	1,703
Social and environment	1,566	1,630
Research, energy and industry	661	745
Co-operation and development	846	976
Administration	876	895
Reserves	1,076	1,076
Rebates	—	1,516
Other Instutions	445	448
TOTAL	25,950	29,030

French consumer prices surge in October

BY DAVID HOUSEGO IN PARIS

THE French Government's disinflationary policy suffered a setback yesterday with the announcement that consumer prices rose by 0.6-0.7 per cent in October, according to provisional figures.

The increase brings the cumulative inflation rate for the year to around 6 per cent and means that the Government will have difficulty meeting its revised target of containing inflation to 7 per cent this year.

Compared with France's 12-month inflation rate of just over 7 per cent at the end of October, the average for the seven main industrialised countries in September was 4.3 per cent, according to OECD figures

France now has an inflation differential with West Germany of more than 5 percentage points which is bound to add to pressures for a re-adjustment within the EMS if the dollar should continue to fall.

Reflecting the Government's concern over inflationary pressures, new price regulations are expected to be announced next week limiting price increases in industry and the services sector to 3-3.5 per cent next year.

Mr Pierre Beregovoy, the Finance Minister, has indicated that he is not in favour of an immediate lifting of price controls

Allegations spark offer to quit by Piccoli

SIG FLAMINIO PICCOLI yesterday offered his resignation as chairman of Italy's Christian Democrat Party after newspapers reported that a magistrate is attempting to prosecute him for alleged past dealings with the Camorra, the Naples version of the Mafia, writes James Buxton in Rome.

The party secretary, Sig Ciriaco de Mita, immediately rejected the resignation, which was offered by Sig Piccoli in an attempt to confront the accusations which he denies. The Rome magistrate, Sig Francesco Misiani, is reportedly requesting removal of Sig Piccoli's parliamentary immunity.

The magistrate is investigating allegations that Sig Piccoli helped construction companies dominated by the Camorra win contracts for rebuilding towns damaged by the 1980 earthquake

Malta church yields

Malta's Roman Catholic Church has given in to government demands that it stop charging fees at its 74 primary and secondary schools, writes Godfrey Grima in Valletta. Its schools, which are attended by 18,000 students and which have remained closed since the summer holidays, will reopen on Monday.

The move follows behind-the-scenes negotiations in which the Church agreed to most of the Government's demands, including the screening of procedures to ensure students are not admitted into church schools because of their parents' social standing.

Polish power cuts

Polish industry could suffer significant power cuts this winter, a senior energy official has warned, writes Christopher Bobinski in Warsaw. Coal supplies in the first quarter of next year are estimated at 49.7m tons by the Mining and Energy Ministry. With domestic needs set at 47.2m and exports at 9m, industry will have to make up the shortfall, leaving its own stocks at "levels which do not guarantee continuity of production."

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...Euro-... tional companies. The board of management of the new trust includes M Jacques Pillet, the director of the treasury and financing department of Saint Gobain, the glass company which already does accounting in Ecus.

Industrial output tops Soviet target

By Patrick Cockburn in Moscow

SOVIET INDUSTRIAL output expanded by 4.4 per cent. in the first 10 months of this year, considerably above target, but agriculture's poor performance continues to cause acute concern.

Labour productivity, vital to growth since the size of the labour force is static, also increased by 4.1 per cent compared to the same period of 1983, according to the weekly Economic Gazette.

The figures show that efforts to encourage growth by a range of limited reforms is having some success, though this is counter-balanced by a poor grain harvest estimated at 170m tonnes.

The key economic change in the past two years is described by one economist as "a move towards the centralisation of planning - to reinforce the decentralisation of management." This implies a shift of authority away from the ministries. Individual members of the Politburo now have responsibility for different sectors of the economy.

Given the extent of Soviet resources, a limited increase in efficiency would give a rapid boost to growth.

In the energy sector, for instance, accounting for 21-23 per cent of total investment and almost half industrial investment, there has been a 10 per cent increase in gas output in the first ten months, but oil production is marginally down at 12m tonnes including condensates. Coal output is also slightly reduced.

The extent to which reform will be enforced is still unclear. Experiments in five ministries, at national and regional levels, were announced last year. They give managers greater authority over budgets, investment and wages, with increased attention being given to demand rather than the fulfilment of quotas.

The other significant aspect of economic change is shifting responsibility away from the numerous ministries.

The weakest link in the economy remains the state of agriculture which, despite absorbing a third of all investment, continues to return poor figures. The 170m tonne grain estimate compares wtih a target of 240m tonnes. As a result, grain imports are likely to be the highest ever and cost $7bn-$8bn.

But, overall, the performance of agriculture remains very poor, considering the attention and investment it receives. There is still little sign that greater emphasis on rural infrastructure is showing dividends.

Fabius tackles political challenge of creating jobs

In the second of a series, Paul Betts reports on French plans to boost employment

M LAURENT FABIUS, the French Socialist Prime Minister, has made it no secret that he regards youth unemployment as his main political challenge and perhaps the single most important issue that could win or lose for the Left the 1986 general elections in France.

"This government will be judged on its record on youth unemployment," he said in one of his first national television addresses this autumn after his appointment as France's youngest ever Prime Minister this summer. In September he also unveiled an ambitious programme to tackle the youth unemployment problem. "Every youth under the age of 21 will either have a job or a training scheme by the end of next year," he announced.

The extent of the problem in France is dramatic. The unemployment rate has risen above 10 per cent. At the end of the first nine months of this year, there were more than 2.4m people looking for a job, 15 per cent more than a year ago, and the figure looks set to go over 2.5m within the next few

Youth Unemployment in Europe

months. Nearly 44 per cent of the unemployed are under 25. At the end of September, there were 486,500 men and 578,200 women under 25 looking for a job.

Moreover, the statistics do not tell the whole story. The public services, under budgetary pressures, have cut back on hiring young people; industry is in a general phase of restructuring; and in the services sector employment has fallen for the first time this year.

Further complicating the situation is the large number of immigrant youths in search of a first job. The squeeze in the French labour market has had perhaps the most brutal impact on young North Africans and other immigrants born and looking for work in France. Indeed, increasing racial tensions in many immigrant sectors of large French cities reflect the frustrations of large numbers of unemployed immigrant youths.

This worrying increase in racism in France in the last 18 months is also reflected in the spectacular rise of the extreme right National Front, which polled more than 10 per cent of the French vote in last June's European elections.

To tackle the youth problem, M Fabius and his new Employment Minister, M Michel Delebarre, have drawn on past job creation programmes and introduced a number of original elements in an unusually ambitious package approved by the French cabinet at the end of September. The package is essentially divided into professional training schemes and community work.

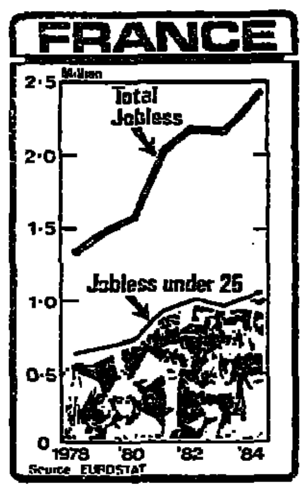
M Fabius has raised the target of the previous socialist government from 715,000 training opportunities for young people aged between 16 and 25 to between 750,000 and 765,000 openings. A large number of these openings involve extended state educational schemes but the Government is hoping to create 300,000 training schemes in industry in the next 12 months.

The Government and the patronat, the French employers' confederation, have finally agreed on a system to promote professional training schemes. It is a three-step system which can take up to three-and-a-half years before the young trainee qualifies for a permanent job.

The first stage takes three to six months and is designed to help a young person get used to life in a company; the second stage which can last between six months and two years, involves a traineeship combining work and training; the third stage, lasting a maximum of one year, is a final work training period. To encourage companies to collaborate in the scheme, the Government has abolished all employers levies on trainees and apprentices.

The second part of M Fabius' package involves a so-called programme of *Travaux d'utilité collective* (TUC) whereby local government and major national organisations would employ unemployed youths for community or environmental work. These jobs would range from replanting forests archaeological projects and help for the aged to assisting with local school transport services, for example. The state has offered to pay every youth employed in some community project FFr 1,200 (£104) a month. The local authority could pay the youth an additional FFr 500 a month, although it is under no strict obligation to do so.

The TUC programme is an extension of earlier community programmes to try to deal with the youth unemployment problem. But these programmes, first introduced by the former right-wing government of M Raymond Barre and subsequently adapted by M Pierre Mauroy in 1981, have so far proved extremely disappointing.



M Mauroy, the former socialist prime minister, had hoped to create 210,000 jobs in this way in the last two years. However, barely 15,000 community jobs were created in this period. Moreover, the trade unions are extremely suspicous of the community employment system because they fear it could be used by local administrations as an excuse to stop taking on new public workers on a regular full time basis.

'You can't be too choosy' after more than a year without work

HELÈNE KRIEF'S story has a happy ending. After graduating in 1983 with an advanced law degree from Tours and Aix-en-Provence University and passing diplomas in English and Russian, Helène Kreif has finally found a job. She will become director of the tourist office of Chinon on the Loire on December 15. "It's not a bad job, especially after all this time," she says. "But it is certainly not what I had set out to do when I went to university."

Helène Krief wanted to become a police officer working for the Direction de la Surveillance du Territoire, the French national security and counter espionage service which is the rough equivalent of Britain's MI6. To qualify for the exams to enter the police forces at the level of commissaire, Mlle Krief, 26, studied law for four years at Tours and then did an extra year at Aix specialising in criminal law.

"I sat the exam but the competition is very tough. They only take four or five women a year," she said. Like other students who sit French civil service exams, if she had passed she would have had it made.

Mlle Krief stayed at Aix in the hope of finding a job. But it was extremely discouraging, she said, because Aix is a city of 150,000 inhabitants with between 30,000 and 40,000 students looking for jobs and careers. "I stayed a year in Aix working part-time for a U.S. university group based there. At the end of last June I decided to go to Paris."

She did not register on the dole because she says when you have never worked before it is not very ethical to adopt straight away the staus of officially unemployed. In Paris, she did what every other unemployed graduate in search of work does. She looked through the job columns of Le Figaro, the Paris daily newspaper scanned avidly by thousands of job and flat hunters.

"It is a most frustrating business," she says. "You answer an ad, you turn up and there are already 40 or 50 people there. You are then told to fill a form and go. You never, at least I never, heard from them again. Otherwise you send curriculum vitaes."

Mlle Krief's problem was that she was prepared to accept a job well below her qualifications simply to have a job. "But when they see my degrees they feel I'm over-qualified. The other problem is that I have no previous job experience except for small holiday jobs while I was a student."

To earn some money, Mlle Krief enrolled with temporary job agencies in Paris. It was a month before she got a job. "I was amazed by how long it took," she said. But it clearly reflected the squeeze on the French job market, even for temps. "New legislation on temporary workers has restricted the demand. This has not helped in the current situation," Mlle Krief explained. Her temp jobs included being a hostess for Christian Dior, the fashion house, and various receptionist or telephonist jobs. "I got 37 francs an hour."

How did she ultimately find a job? "By personal contacts," Mlle Krief answered quickly. "It's the only way. If you don't have a piston (French ofr string-pulling) you don't have much chance. Employers want to be reassured before employing someone, especially with the new French labour laws which restrict considerably their powers to fire people."

Mlle Krief says most of her student friends have had similar problems after graduating. "It usually takes a year before one lands a job. It took longer for me. But you can't be too choosy."

Danish plan to help long-term unemployed

By Hilary Barnes in Copenhagen

DENMARK'S minority Government has revised its scheme to counter long-term unemployment which has drawn bitter criticism from the unions and the opposition Social Democratic Party.

From 1986, the long-term jobless will be given the chance to set up in business for themselves while still receiving 50 per cent of unemployment benefit for three and a half years.

Alternatively, they can go back to school for up to 18 months to learn a job skill and receive the full unemployment benefit.

The Government estimates that about 10,000 people will be eligible. About 270,000 are without a job.

The plan has not only been attacked by unions and opposition, it has also seriously divided the small Radical Party, which is not part of the coalition but on which the Government depends for a majority.

The controversy was caused because the Government proposed that those who completed the job training would become eligible only for social welfare benefit. Under pressure from the Radicals, unemployment benefit will now be reduced in two stages to 70 and 55 per cent of normal on completion of schooling.

Mr Hardy Hansen, head of the largest manual workers' union, described the revised scheme as a plan to throw the long-term unemployed into the "social cemetery."

The job training offer will normally apply to people who have been unemployed for four to five years. Under the present system, the unemployed can in effect draw benefit indefinitely, a situation which the Government deliberately wishes to change.

Hungary reconsiders need for another IMF credit

BY DAVID BUCHAN IN BUDAPEST

HUNGARY IS reconsidering its approach to the International Monetary Fund for a new stand-by credit in 1985 because it feels it may have enough hard currency reserves and export earnings to service its debt.

It drew yesterday the last $103m tranche of this year's $450m IMF stand-by credit. In all, it has borrowed $2bn this year, including its biggest ever single borrowing, a $480m loan co-financed by the World Bank and commercial banks.

Some Budapest officials feel confident that, after two years of IMF support, their country has re-established itself on the capital market. "We will have, in any case, a programme next year which will have the moral support of the IMF," one said. He was referring to next year's goal of a $300m current account surplus, further economic management reforms and some liberalisation of import curbs.

Mr Ede Bako, international director of the national bank, said in an interview that, after debt interest payments, Hungary's current account this year should be $350m in surplus, just short of the IMF-agreed target of $400m. This small shortfall was because food exports were still affected by the 1983 drought and because interest rates were higher than expected.

Reserves were $2bn by the end of September, enough to cover eight months of imports, and compared with only $300m at the low point of Hungary's spring 1982 liquidity crisis. Net medium and long-term debt in convertible currencies had come down from $4.6bn to $4.2bn in the past nine months.

Officials here stress that no formal decision has been made on what link to have with the IMF in 1985 and beyond. A stand-by agreement was still possible some time next year, but for the moment, the Government might prefer to do without a formal IMF programme. Hungary is to hold the four-yearly congress of its Communist Party next March There is some covert party opposition to the economic reforms that are in turn seen as bound up with IMF policies.

Israeli prices rise by record 24% in month

BY DAVID LENNON IN TEL AVIV

ISRAEL'S record-breaking inflation reached new heights in October with prices rising by 24.3 per cent in just one month. This is equivalent to 1,260 per cent on an annual basis.

The all-time-high inflation figure was announced yesterday by Israel's Central Bureau of Statistics whose officials warned that inflation this month will also exceed 20 per cent, despite the recent introduction of price and wage restraints.

It was the knowledge that inflation was running out of control which led the trade unions and the employers to agree with the Goverment earlier this month to a package deal restraining wages, prices and taxes for three months.

The Government hopes that by January the wage and price freeze will have brought inflation down to less than 10 per cent a month, which is considered manageable by Israeli standards.

October is traditionally the month with the highest price rises, and October last year was the first month ever to break the 20 per cent barrier. This year, April and September also recorded inflation of more than 20 per cent.

Mr Shimon Peres, Israel's Prime Minister, yesterday called an urgent meeting of his economic ministers to discuss the implementation of a $500m (£416m) cut from the state budget. This is on top of a $1bn cut approved in principle two months ago.

It is generally believed that failure to make additional cuts in the $20bn budget will mean that the achievements of the package deal will be wiped out by a renewed spurt of inflation next February

The threat that the measures taken or mooted to deal with the country's economic crisis could lead to the dismissal of 15,000 public service workers has lead to threats of violent protests by the unions.

Mr Israel Kessar, secretary-general of Histadrut Trades Union Federation, warned that the unions would fight against the public service workers being forced to pay for what he described as "the folly of past governments."

Withdrawal talks hit snag

BY OUR TEL AVIV CORRESPONDENT

MAJOR differences over future security arrangements in Southern Lebanon surfaced at the military-level talks which resumed yesterday between Israel and Lebanon on the withdrawal of Israeli forces.

The talks at Nakoura in Southern Lebanon were suspended by the Beirut Government a week ago after the initial meeting.

This was in protest at the arrest by Israel of four prominent South Lebanese Shi'ite Amal militia leaders.

Their release enabled the talks to restart.

The Lebanese delegation yesterday completely rejected Israel's proposal to hand over security near the Israeli border to the South Lebanon Army (SLA), a mainly Christian militia of 2,000 men largely controlled by Israel.

Lebanon refuses to recognise this force because it regards the SLA as a tool of the Israelis through which it believes Jerusalem wants to control the south and continue to interfere in the internal affairs of Lebanon.

Israeli officers ridiculed the idea of the Lebanese Government sending 10,000 soldiers of the regular army to the south. They said the army was in no position to undertake such an operation.

Australians on a time bomb, says Peacock

By Michael Thompson-Noel in Melbourne

MR ANDREW Peacock, leader of the Australian Liberal Party, claimed yesterday that Mr Bob Hawke's Labor Government had called a general election 15 months early because its luck was running out.

Mr Peacock was speaking in Melbourne, at the start of final campaigning for Australia's general election on December 1.

Though he trails in the polls, Mr Peacock is at last making ground, articulating his policies and attacking Labor's spending record.

Mr Peacock said Labor was reluctant to tell Australians what lay around the corner in 1985-86. "I have a pretty fair idea," he said. "With the (economic) recovery dependent on a lot of one-off factors, and Labor having boosted government spending dramatically this year, all Australians are sitting on a time-bomb."

Mr Peacock claimed that Labor's "commitment to high taxation and high spending can only penalise investment, incentive, and job creation."

Under Labor, he said, Australia's real interest rates had become among the highest in the Organisation for Economic Co-operation and Development.

Mr Peacock also bitterly attacked Labor's "inflexible wages policy," and vowed that a future conservative Government would scrap the pay and prices accord between Labor and the Australian Council of Trade Unions—the lynch-pin of Labor's policy approach and electoral appeal.

The Liberals would abolish the wage-setting Arbitration Commission, and "introduce a much freer, decentralised and flexible structure in which Australian business and industry can work," he added.

In other parts of his policy speech, Mr Peacock said a Conservative government would promote orderly reductions in Australia's trade barriers, help small business, and continue to deregulate financial markets and interest rates.

S. Africa downturn 'will continue'

BY ANTHONY ROBINSON IN JOHANNESBURG

SOUTH AFRICA'S economic downturn will continue well into 1985, Mr Barend du Plessis, the country's Finance Minister, said yesterday.

Rising exports and hoped-for improvement in the agricultural sector could, however, lead to a resumption of growth in the second half of the year, and an overall 1 per cent GNP increase in 1985.

Mr du Plessis, speaking at the annual conference organised by the Financial Mail magazine, said that "fiscal policy will be appropriately restrictive in 1985-86" while real government consumption expenditure "is likely to show only a modest, if any, further increase in 1985."

Real fixed investment is expected to show "a moderate further decline," while commercial and industrial inventories are also expected to drop.

Exports in volume terms are expected to be 4 per cent higher and imports 13 per cent lower in 1985 to give a current account surplus on the balance of payments of between Rand 1bn-2bn compared with an estimated deficit of Rand 1bn in 1984, he added.

The above estimates are based on the assumptions of a continuing economic upswing in the main industrial countries, a gold price roughly equal to the 1984 average of $360 an ounce and a normal harvest which would mean a 20 per cent rebound in farm output compared to drought-hit 1984.

In the above circumstances, "the rand appears to be a candidate for appreciation in terms both of the dollar and the basket of currencies during 1985," he added.

As for interest rates, currently at record levels, Mr du Plessis said: "A decline appears to be a distinct possibility consistent with the scenario of a cooling of the economy during the second half of 1984 and well into 1985."

His remarks closely followed a statement by Mr Gerhard de Kock, Governor of the South African Reserve Bank, that he hoped to reduce the re-discount rate, currently 22.75 per cent "before Christmas."

The unexpected hint of lower rates soon caused a flurry on money and bond markets yesterday, with the key three-month bankers' acceptance rates dropping to 21 per cent from 21.90 per cent on Wednesday and an average 40 point decline in long-term bond yields.

In the margins of the conference, however, economists complained they had been looking for a more specific commitment to lower government spending, and more emphasis on tight monetary growth targets from the monetary authorities in order to dampen inflationary fears.

Pretoria presents Angola counter-proposals

BY ANTHONY ROBINSON

SOUTH AFRICA has presented its own counter-proposals to the Angolan offer of a partial withdrawal of Cuban troops, Mr Pik Botha, South Africa's Foreign Minister, told Mr Chester Crocker, U.S. Assistant Secretary of State for Southern African Affairs, in Pretoria yesterday.

South Africa "would consider foreign troops in Angola totalling more than 3,000 to 4,000 and upwards as unacceptable," as this would have a negative, hampering effect on free elections in Namibia, he declared.

During their first round of talks in the Cape Verde Islands two weeks ago, Mr Crocker is believed to have presented Angolan proposals for a phased withdrawal of up to 20,000 Cuban troops.

This would leave upward of 10,000 troops still in the country to guard Luanda and the oil-rich Cabinda enclave from attacks by rebel Unita forces led by Dr Joseph Savimbi.

In return, Angola sought the ending of South African support for Unita and a completion of the withdrawal of South African troops from their present position some 40 miles inside Angolan territory.

Mr Botha added that the South African proposals would be conveyed to Angola's President, Eduardo dos Santos, by Mr Crocker "in the near future."

He stressed that it was impossible "to give a simple yes or no to the Angolan offer as we are dealing with a set of proposals and the views of governments and perhaps counter-proposals."

Mr Magnus Malan, South Africa's Defence Minister and Dr Willie van Niekerk, Administrator-General of Namibia, also took part in the discussions.

Moscow still lags in Ethiopia aid effort

BY TONY WALKER IN ADDIS ABABA

SUPER-POWER rivalries are clearly lurking behind the huge humanitarian exercise now underway in Ethiopia.

For its part, the Ethiopian Government is taking care not to offend its Soviet backers whose response to the plight of the starving refugees does not in any way compare with that of the West.

Despite the thousands of tons of relief aid provided by the West at a cost of hundreds of millions of dollars that is flooding into the country, Ethiopia's official Marxist-Leninist Press is continuing its ritualistic denunciations of the "imperialists."

The Soviet Union, which provides the régime of Col Mengistu with massive arms shipments, appears to have been completely wrong-footed over efforts to bring relief to starving Ethiopians. For once, it seems, the U.S. has played a shrewd hand.

The Russians had initially refused help when the relief and Rehabilitation Commission of Ethiopia, which co-ordinates relief efforts, had asked for assistance.

The Soviet Ambassador in Addis Ababa is reported to have insisted that Soviet-supplied Antonov-12 aircraft could not be used to ferry Western-supplied grain. The Ethiopians were furious.

At this point, the U.S. said it would bring in its own aircraft and would provide fuel for the Soviet Antonovs.

The Western-backed international relief effort was well under way before the Eastern bloc, realising that its credibility was being seriously undermined, began to mount its own aid mission.

The Soviet Union has sent in huge Antonov-22s, equivalent in size to the U.S. Starlifter. It has also provided some extra aircraft, but according to Western relief workers, the Russian effort at this point is not amounting to much.

It is not in a position to provide grain. But it is supplying MI-18 helicopters which is regarded as curious, since they do not have much carrying capacity.

But cynics in the Western community here say they would find ready use in the north of the country where Col Mengistu's army is having difficulty controlling rebels.

North, South Korea talks 'cordial and courteous'

By Steven B. Butler in Seoul

NORTH and South Korean officials yesterday met in the truce village of Panmunjom in an effort to launch full-scale talks on trade and wider economic co-operation.

Following talks described as both "cordial" and "courteous," the two sides agreed to meet again on December 5 to agree an agenda for continued negotiations. Mr Kim Ki-Hwan, head of the South Korean delegation, described yesterday's talks as a "good initial contact" in which the differences between the two sides were "minimised."

The meeting was the first contact between officials of the two Governments in more than four years. Trade between the two halves of the Korean penninsula has been strictly shut off since the Korean war, which began in 1950.

South Korea proposed that discussions initially centre on the development of trade, to be followed only later by further discussions on joint ventures.

South Korea said it would be interested in purchasing North Korean coal, iron ore, and pig iron, plus other mineral goods and agricultural and fishery products.

North Korea effectively dispelled notions that it would accept a trade of its mineral resources for South Korean manufactured goods. It proposed that raw materials be traded for raw materials, finished goods for finished goods, and farm products for farm products.

China to invest £19bn in new equipment

CHINA will invest Yuan 90bn (£19bn) in new equipment for old industries between 1985 and 1987, official press reports said yesterday. AP reports from Peking.

The reports quoted State Economic Commission leaders as saying the money will finance 11,000 modernisation projects

Troubled New Caledonia goes to the polls

BY PAUL BETTS

FEARS are growing that France's 130-year colonial rule in New Caledonia could come to a messy end with unpredictable repercussions for the stability of the South Pacific.

On Sunday, the territory goes to the polls to elect a new National Assembly and France has flown out an additional 750 riot and paramilitary police to maintain order in the face of increased threats of violence by groups advocating immediate and full independence.

A gang of some 50 Melanesians recently ransacked a hotel at Poindimie, some 400 km north of Noumeas and wounded the French owners. The incident was only one of a chain of actions reflecting growing violence on the islands and racial tensions between the indigenous Melanesians and the French colon settlers who account for 38 per cent of the population and own most of the best land.

Roadblocks set up by radicals of the independence movement Front de Liberation Nationale de Kanak Socialiste (FLNKS) a short while ago forced the French authorities to call off one of the territory's most popular sporting events, the annual cycle tour of New Caledonia. If the event had gone ahead as planned, there was a risk of angry clashes between police and demonstrators.

At the same time, extremists within the independence movement make no secret of the ties they have been developing with Libya. "Why not with Tripoli as Libya fights against all colonial movements," commented M Eloix Machoro, secretary general of the Union Caledonienne, one of the factions within FLNKS.

Yesterday M. Machoro threatened to ruin the elections: "There will be no result on Sunday," he said. He hinted that his movement would occupy polling stations set up road blocks an dsnatch ballot boxes.

The anxiety of Australia and New Zealand is that the region's record of non-violent evolution towards independence is in jeopardy. The fears are shared by other South Pacific states like Fiji, Tonga and Papua New Guinea, who have unpleasant memories of the only exception to the area's non-violent tradition — the demonstrations that preceded the independence of the New Hebrides (Vanuatu in 1980).

The new National Assembly will have enhanced powers under the constitutional plans announced last year for providing New Caledonia with greater internal autonomy. Under these plans a five-year interim period is to be followed by a referendum in 1989 on whether New Caledonia should be given independence.

These constitutional proposals have pleased few. The French settler population believes, as it did in Algeria, that the country is not ready for independence

They blame President Mitterrand's socialist administration for opening a Pandora's box in promoting more local autonomy and attempting to shift the balance of wealth in the territory. The most controversial act of the French authorities since 1981 has been a decree aimed at slowly reversing the dominance that the settlers have over the ownership of fertile land. Some 2,000 landowners hold 336,797 hectares of the richest New Caledonian land.

But the Government's plans are also disliked by the independence movement, which wants to see faster progress towards self-rule. Having beaten the drum of independence since the 1960s and having had their expectations raised by the socialist victory in France, they do not want to wait for a referendum in 1989.

The Melanesian viewpoint has had backing in Australia and New Zealand—particularly from union, church and labour movement lobbies.

The French belief is that it would be dangerous to bring independence further forward. French officials say that at the moment, with Melanesians accounting for only 41 per cent of the territory's 130,000 population, there is a risk that a vote on independence would result in a No majority.

M Georges Lemoine, the French Minister for the Departments et Territoires d'Outre-Mer returned from a recent visit to New Caledonia with the impression that extremists in the independence movement are becoming more isolated.

He believes the FLNKS is no longer solid in its determination to boycott the National Assembly elections on Sunday.

The political troubles in the territory come at a time when economic difficulties have been growing. Worldwide demand for nickel—the territory's main export—has collapsed, pushing down prices and hence New Caledonia's foreign exchange earnings. Exports receipts fell off last year by 20 per cent to FFr 1.2bn (£104.8m).

OAS tries to revive its ailing prestige to face major issues

BY ANDREW WHITLEY IN BRASILIA

SPEAKER AFTER speaker has mounted the podium at this week's annual meeting of the Organisation of American States' General Assembly to call for the "revitalisation" of the elderly regional association.

No-one was in any doubt about the nadir to which the prestige of the OAS had sunk earlier this year, following the resignation of Sr Alejandro Orfila, its previous secretary-general, after accusation of illegal use of his office for personal gain.

The "Orfila affair" was the last straw for many member countries, already frustrated by the impotence of the OAS in the face of major questions of the day in Latin America and the Caribbean.

Under the nine-year stewardship of the Argentine official, the OAS had stood on the sidelines during the 1982 Falklands War, wrung its hands helplessly when the U.S. invaded Grenada last year and, so far, made no contribution to peace in Central America.

Those regional disputes which had been settled – such as the 1981 border conflict between Peru and Ecuador and the recent agreement between Argentina and Chile on the Beagle Channel – owed nothing to the Washington-based institution.

Even on such an all-encompassing issue as the heavy external debt of many of its 31 members and their deteriorating terms of trade with the rest of the world, the OAS has not been the main focus of debate. This challenge has been taken up instead by the Inter-American Development Bank and by the informal Cartagena group of 11 Latin debtor countries, set up six months ago.

One of the key disputes going on behind the scenes at the Brasilia meeting of the OAS concerns the efforts of its new secretary general, Sr Joao Clemente Baena Soares of Brazil, to seize on the debt question as an issue of interest to many countries.

He argues that the OAS is the ideal forum as it is the only institution in which the major creditor country – the U.S. – and all the regional debtors are represented. The Cartagena countries, however, anxious not to lose whatever punch they might carry, are insisting on maintaining their separate indentity and autonomy.

In Brasilia the Cartagena countries have met several times in preparation for their next formal conference, to be held in the Dominican Republic in February.

The U.S. remains publicly opposed to any face-to-face meeting with a group of debtor countries to discuss the wider political ramifications of this thorny issue. A meeting with Mr George Shultz, the U.S. Secretary of State, on Sunday was enough, however, to give many of those who attended encouragement that a dialogue with creditor governments was not the chimera they fear.

The U.S. has publicly joined the calls to put more life into the 94 year old regional body. Mr Shultz on Monday urged the OAS to become "a more effective instrument for co-operation throughout the hemisphere." Issues such as the growing problem of drug abuse and trafficking in the region are the kind of topics it should be dealing with, he argued.

The nub of the problem in putting the hopes of new life into practice is that, privately, most of the Latin American and Caribbean nations are cynically realistic about what they see as Washington's lack of interest in the semi-moribund organisation, except when it suits its interests.

Trinidad and Tobago, for example, would like to see the OAS take on a more effective peacekeeping role in the region.

Kawasaki accused of anti-union activities

By Terry Dodsworth in New York

UNION COMPLAINTS against the U.S. subsidiary of the Kawasaki motor cycle group have been lodged at the OECD in Paris in a move aimed at bringing international pressure to bear on the group's alleged opposition to union organisation.

The United Auto Workers Union (UAW) said yesterday that it wanted "to shine a spotlight of international scrutiny" on the Japanese-owned company because of numerous anti-union actions at its manufacturing plant in Lincoln, Nebraska.

It claims that the company has over the last few years discharged strong supporters of the union, assigned union sympathisers some of the more difficult jobs in the plant, and inflicted harsher discipline on union supporters than the rest of the workforce.

In addition, the UAW claims that workers at the 550-man plant have been threatened with the closure of the operations if employees choose to accept union organisation.

No comment was available on the UAW's charges from the company yesterday.

The UAW claims that Kawasaki's behaviour violates the code of conduct established for multinationals by the OECD committee on international investment and multinational enterprises in 1976. Both Japan and the U.S. were signatories to this agreement.

The OECD guidelines say that companies should respect employees' rights to join trade unions. They also lay down that businesses should not transfer operating units from a country in order to hinder the right to organise in trade unions.

The OECD has been used only rarely by the unions since the agreement was formalised, and has no effective sanctions to bring against companies. In the Kawasaki case, however, the UAW's concern is to bring pressure to bear at a time when the official procedures for union recognition in the U.S. are coming under increasing criticism from the union movement.

The UAW said it had held two polls for trade union recognition under the auspices of the national labour relations board at the Kawasaki plant. Both of these, in 1978 and 1979, were lost, but charges of company misconduct during the polling allowed further elections. A third poll was suspended indefinitely by the union two years ago

OAS supports Buenos Aires

THE ORGANIZATION of American States yesterday again gave its overwhelming support to Argentina in the dispute with Britain over the Falkland Islands, AP reports from Brasilia.

The Oas General Commission approved a resolution supporting Argentina's call for renewed negotiations with Britain regarding sovereignty over the islands, by a vote of 21 to one, with six abstentions.

Peter Montagnon reports on growing optimism among leading bankers

Argentine debt talks regain impetus

TALKS between Argentina and its leading commercial bank creditors have moved into a crucial phase this week as both sides intensify their efforts to implement a solution to the country's $45bn (£35.4bn) foreign debt problem before the end of the year.

The current visit to the U.S. of Sr Bernardo Grinspun, Economy Minister, provides a clear indication of fresh impetus to the two-month old talks. Sr Grinspun is due to meet leading bankers in New York within the next few days to examine plans for Argentina to reschedule some $17bn in public and private sector debt due between 1982 and 1985 and raise a large new loan from commercial banks worldwide.

Mr William Rhodes, the senior Citibank executive who heads the banks' negotiating committee, said earlier this week he hopes an outline agreement on the proposals can be reached by the end of this month. Bankers hope this might come in time for the International Monetary Fund formally to approve Argentina's request for a $1.4bn standby credit before the end of December.

But even as they work on a draft proposal for Sr Grinspun to take back to Buenos Aires next week, both sides are acutely aware of the pitfalls that remain. Despite mounting optimism that a breakthrough could be close there are still grave doubts over whether agreement can be reached within the tight schedule now envisaged.

Not least of the problems is the size of the new loan from commercial bank creditors. Argentina has asked for $5.45bn but this was flatly rejected by the banks as too large. Given the mounting frustration of many smaller banks over delayed interest payments by Argentina, they say the amount has to be much smaller — between $2.8bn and $3.5bn.

Panama is to meet its top bank creditors in New York next week for talks on rescheduling more than $600m in debt falling due in 1985 and 1986.

Present at the meeting will be representatives of the International Monetary Fund and the World Bank from which Panama is expected to seek a structural adjustment loan.

The meeting is expected to concentrate initially on the economic outlook for Panama as part of an assessment of its need for additional bank loans as well as rescheduling.

Panama, with total debt of about $4bn, refinanced this year's debt maturities in a deal totalling $278m which also included $93m in fresh finance. Bankers say that it has been helped by its scrupulous adherence to this agreement and to its current IMF programme, which will be renewed as part of the package.

Also due to talk to its bankers is Uruguay, though the main rescheduling negotiations on its $4.7bn debt will not start till a new civilian government takes office next spring. Meanwhile Uruguay is expected to ask for a temporary deferral of about $100m in debt falling due in the first half of next year.

But ths has caused a headache for the government of President Raul Alfonsin because it threatens to undermine the deilcate calculations on which its economic stabilisation programme was worked out with the IMF. Unless extra money can be found from somewhere else there is a danger that the programme might fall apart through lack of funds.

Mr Jacques de Larosiere, IMF managing director, has always insisted that sufficient new loan commitments are available to a debtor country before he submits its economic recovery plan to his executive board. As banks have become more and more reluctant to put up fresh money, this condition has become increasingly hard to meet.

Approval by the IMF of a recent debt package for the Philippines was held up for several weeks because the banks had agreed to contribute only $925m, much less than the $1.6bn originally envisaged. In the intervening period Mr de Larosiere had to satisfy himself that the balance was available from other creditors such as governments.

A similar process is now in full swing for Argentina. Sr Grinspun spent most of Wednesday in Washington, meeting mainly with U.S. Government officials with whom he is thought to have discussed the possibility of new credits.

Separately, Argentina is also discussing a $500m bridging loan with the U.S. Treasury which would tide it over and help with interest payments until the IMF loan is available.

Even when the amount of Argentina's now loan is fixed, other serious obstacles remain. Interest payments on Argentina's public sector debt are current only up to May 15, creating some of the most serious arrears yet seen for a Latin American country, and U.S. government agencies responsible for supervising the banking system have recently declared most of the country's debt as officially sub-standard.

All this means that banks will shrink from giving Argentina favourable terms such as the 14-year maturity and average interest margin of 1⅛ per cent agreed on Mexico's new $48.7bn rescheduling. Argentina for its part will not want a deal that is conspicuously worse than Mexico's and claims it should be rewarded for agreeing to a politically difficult IMF economic programme and for its promise to eliminate interest arrears once the new money starts to flow.

Haggling over terms and conditions for Argentina has been further complicated by confusion over the $7bn private sector debt that is to be rescheduled—the banks have set up a special committee chaired by Credit Suisse to deal with this—and by the fact that Argentina has already once agreed to reschedule debt falling due in 1982 and 1983.

Much to the irritation of creditor banks the new radical government repudiated this agreement when it entered office in 1983, which makes many bankers even less inclined to look favourably on a new package which covers debt falling due between 1982 and 1985.

But one bright spot is that, contrary to many expectations, Argentina is now showing signs of implementing its tough programme to reduce inflation, now running at more than 700 per cent a year. The monthly inflation rate fell to 19.2 per cent in October from 27.5 per cent in September. Real wages have begun to fall and the trade surplus is likely to exceed the $4bn officially forecast for this year.

In many ways these developments offer the best grounds for optimism on a debt settlement yet, but the attitude of senior bankers remains extremely cautious.

Mr Rhodes used to round both publicly and privately on sceptics who believed rescue packages for Mexico and Brazil would never work, describing them as "doom-mongers." In Argentina's case he has always been much more sanguine. "Time will tell" is still his favourite verdict.

Argentina plays down 'rift' with military

By Jimmy Burns in Buenos Aires

THE ARGENTINE Government yesterday moved quickly to play down reports of a serious rift with the armed forces following the resignation of the nine members of the Supreme Council, the country's highest military court.

"This is not a military crisis," Sr Jose Jaunarena, the undersecretary of defence, said before confirming that President Raul Alfonsin intended to appoint a new Council instead of transferring all cases of human rights violations to civilian courts.

Most local commentators, however, have interpreted the resignation as a clear warning signal of military discontent with the Government's handling of the human rights issue. The outgoing members on Wednesday claimed they were resigning for "personal reasons" but their decision was taken after a widely reported clash with Sr Raul Borras, the civilian Minister of Defence.

Last week the Council criticised Sr Borras for refusing to counter mounting public criticism of the way the military was dragging its feet over the trial of several hundred officers, including Genl Ramon Camps, Buenos Aires provincial police chief, and Admiral Ruben Chamorro, the former director of the naval torture camp.

The resignations will not affect the trial of the nine members of the three former juntas which were handed over to the civilian courts last month. However, expected delays in finding willing substitutes for the outgoing members of the council could severely set back the chance of an early verdict in the trials of other officers

WORLD TRADE NEWS

How countries pocket their overseas aid

Christian Tyler explains the mixed credits row

THE BRITISH Foreign Office made an unsuccessful sally this week to save its overseas aid budget from the Chancellor's pruning knife.

In a sense it was only a local *skirmish on a much bigger* battlefield, where the world's richest nations are disputing very purpose of aid.

The *casus belli* is the competitive use of aid money by governments to snatch scarce overseas contracts for their country's exporters. The question it raises it: can a line be drawn between charitable (if ultimately rewarding) contributions *to a poor country's development* and self-interested subsidy of your own exports?

Hostilities resume formally in Paris on December 10 when members of the *OECD come to* blows over the use of mixed credits, or the mixing of aid money with commercial export lending.

There seems little prospect of an early truce. France, considered the pioneer of mixed credits and the biggest user with a slush fund estimated at *over $500m a year, this week* refused to give the EEC a mandate to negotiate changes in the OECD's guidelines.

War chest

Meanwhile the U.S., *the* fiercest critic of the practice, is taking an increasingly menacing stance. America's Export-Import Bank is already armed with funds to "match" what it sees as predatory financing by *other countries.* It has not drawn much on that war chest yet, and no one is quite sure whether U.S. negotiators are just bluffing.

Britain is America's most active supporter in this campaign. The UK's "aid and trade *provision*" *is ££68m, only 5 per* cent of the total aid budget. In principle, too, UK policy is merely to help its exporters match offers of soft credit by *other countries' companies.* But a recent change in the administrative procedures, reducing Treasury scrutiny and so speeding up Britain's responses, has further fudged the distinction between "initiating" and "*matching.*" The *dilemma* is obvious, by the time you have concrete evidence of a rival's soft credit offer, it is usually too late.

About 2,500 transactions are reported to the OECD each *year. At a rough guess,* the informal OECD rules are bent or broken in 100 cases. But when the OECD's development assistance committee recently asked countries to list the cases that gave most offence, only six were reported.

The OECD "consensus" rules lay down that in a mixed credit the aid element cannot be less than 20 per cent. If it is under 25 *per cent, other countries* must be told in advance of the contract. If over, the deal must be notified "promptly."

But there are two other kinds. only one kind of mixed credit: that in which a sum of aid is offered alongside a loan. In such cases the buyer pays the *OECD-approved interest rate on* the loan; his benefit is that he has to borrow less than would otherwise be the case.

Ungenerous

The "pre-blended" credit, used by West Germany, Scandinavia, Austria and Japan, mixes aid *money with commercial credit* in a way that reduces the overall cost of the offered financial package. And then there is "hard aid": a loan entirely from a country's aid budget, but on ungenerous terms that are almost commercial.

The U.S. wants to cut clean through the morass. One of its *proposals, which has the virtue* of simplicity, is that the OECD should be told of any export credits offers in which the aid component is under half of the *total.* It has also suggested *that* competitors should get 60 days' advance notice—on the logical ground that if aid is genuinely for development there will be a long period of assessment of a contract by government.

If no political solution can be found the mixed credit game, like the arms race, could get out of control. Yet, unlike the arms race, it could eventually burn *itself out.* Already *some* countries, such as Indonesia, are suspicious of the practice (see below); and at some point many donor countries will be forced to conclude the game is no longer worth the candle.

Indonesia plans to accept fewer mixed credit deals

BY KIERAN COOKE IN JAKARTA

THE Jakarta Government plans to curtail its naionalised or para-statal institutions from accepting mixed credits in dealings with overseas suppliers,

In future, credit *funding for Government contracts* are to be tendered through international bids. Only in certain circumstances will countries be allowed to negotiate contracts using these credit schemes.

The policy decision may upset a *just-completed* mixed credit package put together between British and Indonesian authorities. A list of potential projects to be *tendered by UK companies* has been drawn up, and a £30m aid element to the package was to have been announced in September at the time of a planned visit by *Mrs Margaret Thatcher, the* British Prime Minister.

The projects involved in the package include power generation, communications and mining. Such companies ...as GEC, Hawker Siddeley Power Engineering, and BICC are likely to be affected.

Many foreign nations have made usee of mixed credits to win exclusive and lucrative Government contracts in *Indonesia.*

Reasons for the move stem *from concern that mixed* credit packages, while appearing to be a cheap form of trade finance, find themselves hostage to extra charges which, in the end, result in Indonesia paying more than if projects had been put out to international tender.

Indonesia also says it is concerned over its debt situation, and the way mixed credit financing tends to make an ever greater impact on its overall debt of more than $21bn.

The World Bank, in a report on Indonesia earlier this year, advised that if too many projects were carried out on mixed credit terms, then this could result in less money going into the pure aid sector.

U.S. irked by EEC stance

By Paul Cheeseright in Brussels

GROWING irritation within the Reagan Administration over the EEC's stand on mixed credits—the mixing of aid with standard export credits—has been signalled by a senior U.S. official *who said this was a priority area* for resolution.

"I would hope we would *not* get into a mixed credits war. If that happens, the U.S. has the deepest pocket in the world. We'll match everybody," Mr Tim McNamar, deputy secretary of the U.S. Treasury, said in Brussels.

The issue will be discussed at the Organisation for Economic Co-operation and Development in Paris on December 10. If the two sides do not come closer together then, the U.S. side will raise the matter at a ministerial meeting with the EEC on December 14.

The U.S. has consistently sought to have mixed credits outlawed from the international financial system. But EEC countries led by France have found that the judicious use of aid is a convenient means of sweetening the financial packages wrapped around the exports of capital goods.

He stressed that the U.S. was not delivering an ultimatum to the EEC. But he thought that if there was no movement in international negotiations then, next year, *when the Agriculture* Re-Authorisation Bill comes up, it would contain the power to foster the sale of farm goods by the use of mixed credits.

Outlook poor for East-West trade says research body

BY LESLIE COLITT IN BERLIN

THE IMMEDIATE outlook for East-West trade is discouraging, according to the German Institute of Economic Research (DIW), which says it will be performing well even to maintain its current 4.8 per cent share of world trade.

The forecast does not include East-West German trade, which is considered separately by the West Germans.

The institute says the propelling *force behind Soviet trade* with the West in recent years, the enormous windfalls realised by Soviet oil exports, is unlikely to continue in light of the weakness in oil prices. Economic growth in Western Europe, Comecon's main trading partner, is projected at 1.8 per cent in real terms next year, and thus is *felt unlikely to boost exports of East* European products.

The West German institute says one indication of East European industry's export weakness is that, in the past 12 years, only 10 per cent of Comecon's exports to OECD countries were made up of machinery and vehicles. In 1970 OECD imported 0.7 per cent of its machinery from Comecon, but by 1982 this had fell to 0.5 per cent.

By contrast, it notes, Third World countries, like Brazil, Mexico and South Korea, have been able to boost their share of OECD's machinery imports from 3.2 per cent to 8.5 per cent in the same period.

The institute notes only agricultural exports from OECD countries to Comecon have increased. Comecon took 3 per cent of the OECD's agricultural exports in 1970 and *more than 6 per cent in 1982.* All other categories of goods fell, with iron and steel exports to Comecon *down from 4 per cent to 2 per cent.* The institute says Comecon will make economic decisions next year which will determine East-West trade during the next five-year plan, 1986-1990.

A decisive role will be played by the co-ordination of five-year plans in this period, which was a major issue *at the recent Comecon meeting* in Havana.

The institute believes that, seen from Eastern Europe, the conditions for East-West trade to flourish are not promising. At Comecon's summit conference in Moscow last *June it was decided* that the six small East European Comecon countries would have to deliver more goods of a higher quality to the Soviet Union in order to secure continued deliveries of energy and raw materials.

Machine tool industry to extend UK sales restraint

BY IAN RODGER

JAPANESE machine tool builders have agreed to restrain their shipments to the UK for another six months following recent discussions in Tokyo with representatives of the British machine tool industry.

The agreement covers computer controlled (CNC) lathes and machining centres, the industry's two fastest growing *products. In 1982,* before the first voluntary restraint agreement had been reached, the Japanese share of Britain's machining centre market had *reached 50 per cent and their* share of the CNC lathe market was 39 per cent.

Since then, a number of British manufacturers have developed *new products in these* areas, and some have begun to make Japanese machines under licence. Also, the value of the Yen has risen over this period. By the *first half of this year,* the Japanese share of the UK CNC lathe market had fallen to 28 per cent but their machining centre share had risen to 55 per cent.

In the latest discussions, the British pointed out that the UK market for machining centres had not grown as rapidly as expected. However, both sides looked forward to growth next year. In a statement, the British Machine Tool Trades Association said that following the discussions, "it is expected that British and Japanese manufacturers wil share in the expected growth."

Mr Eric Fisher, managing director of DeVlieg Machine and the leader of the British negotiating team, said most British manufacturers hoped that the need for the restraint programme would come to an end in the next year or two.

"I think we are all agreed on wanting a free market," Mr Fisher *said.* "The British industry is getting back on its feet, but it takes time."

Voest-Alpine, Kobe Steel settle Midrex licence row

BY ANDREW FISHER

VOEST-ALPINE of Austria and Kobe Steel of Japan have settled their differences over licensing *of the Midrex iron-making* process which arose after Kobe won a $182m (£140m) contract in Iran.

Future licensing of the Midrex process, once part of the Korf steel and engineering group of West Germany which collapsed last year, will in future be on a non-exclusive basis.

Thus licensees of Midrex, which was bought by Kobe Steel in August 1983, will now be able to compete openly for new business. Previously, they were restricted to certain countries.

Voest-Alpine has now dropped its argument with Kobe over the Japanese company's use of Midrex technology for five direct reduction plants in Iran. *Kobe will go ahead* with this project.

The Austrian company acquired Korf Engineering after the failure of Mr Willy Korf's companies. Before the collapse, Korf Engineering held licences in Iran for Midrex, which bypasses *the blast furnace in* ironmaking.

Midrex International, the Zurich-based company which administers the licences, said the new agreement to the end of 1990 with Voest-Alpine reflected the former's "new philosophy of non-exclusive marketing and construction licences."

Voest-Alpine, an exclusive Midrex construction licensee since 1978, will continue to pursue direct reduction projects in Algeria, Bangladesh, India and other countries where it has projects under way or in negotiation.

With its Korf Engineering subsidiary, Voest-Alpine is building Midrex units in Libya, as well as a plant in Malaysia in a consortium with Midrex Corporation of the U.S., bought by Mr Korf 10 years ago and now part of Kobe Steel.

Marconi-Thomson accord

BY GEOFFREY CHARLISH

MARCONI Electronic Devices (MEDL) of Lincoln and the French state-owned Thomson group have signed a cross-licence and dual-sourcing agreement for the manufacture of two power semiconductor devices that will be used increasingly to control electric motors and other power systems.

MEDL is the only European company to bring gate turn-off transistors (GTO) into production while Thomson Semiconductors has specialised in Mos (metal oxide on silicon) field *effect transistors* (Fet). The GTO is used in electric traction control (railways, mills for example) and Mr Nigel Hobdey, marketing manager of the MEDL power *division expects* the world market, small at the moment, to rise to $100m by 1989.

W. German court acts on 'false' E. bloc products

BY LESLIE COLITT IN BERLIN

A MAJOR West German trading company and East Germany's Chamber of Commerce have been *implicated* in a scheme to falsely label products from Eastern Europe and Taiwan as East German goods in order to avoid payment of West Germany's customs tariff and import turnover tax.

A court in Bremen sentenced a director of the company to three years and three months imprisonment and seven other executives to prison terms between 15 and 21 months in addition to fining them a total of DM 107,000 (£26m). They were found guilty of depriving West Germany of DM 17m in customs revenues and taxes.

The executives, who did not enrich themselves, worked together with the Chamber of Commerce in East Berlin which obtained East German labels for Soviet, Bulgarian and Romanian sunflower seed oil and for textiles *from Taiwan,* court evidence showed. The goods were shipped to West Germany between 1974 and 1978, according to the court. East German products are exempt from customs and import excise duties in West Germany, which regards its trade with East Germany as inner German commerce.

According to evidence given at the trial, an East German *government* agency known as Zentralcommerz has a special department responsible for getting third country products into West Germany as East German goods.

Tories may face revolt over aid

SENIOR MINISTERS have been warned of a possible sizeable revolt by Tory MPs next week unless the Government gives firm assurances that the overseas aid budget will not be cut in real terms next year, Peter Riddell writes.

The Liberal Party has chosen overseas aid as the subject for a full-day debate. Ministers recognise that the Government will have to decide by then on the allocation of the Foreign Office budget between aid and other categories.

The present position is that the Treasury is resisting calls from the Foreign Office for a commitment to be made to pay compensation for any fall in the value of sterling against other currencies. This would ensure that the aid budget did not have to be cut in real terms.

Mrs Margaret Thatcher, Prime Minister, said that when public spending plans had been finalised it was very unlikely that they would be reconsidered.

The implication is that while the purport of the Foreign Office budget, including aid, will not be revised, there could be some adjustment within this figure broadly to maintain spending on overseas aid at previously planned levels in real terms.

□ INTEREST RATES are still higher than they should be Mr Nigel Lawson, Chancellor of the Exchequer, told the House of Commons. "I hope we shall see them going down further." Urged to take up employers' proposals for a capital spending programme to improve the infrastructure, he said the effects of such investment on employment would be very slight.

□ THE ACCOUNTANCY profession was urged by Mr Alex Fletcher, Minister for Corporate and Consumer Affairs, to adopt a "tough new accounting standard on fraud."

He said he wanted the profession to recognise that there might be a gap between present practice and public expectations of the responsibilities of a company's auditors.

□ UNIT TRUST activity picked up again in October after a relatively quieter period in the previous month. Sales of units surged more than £60m on the month from £157.6m in September to £216.5m in October.

□ MR NEIL KINNOCK, the Labour leader, hopes to meet Mr Konstantin Chernenko, the Soviet president, during his visit to Moscow starting next Wednesday.

□ A BID to take over BPM Holdings, owner of the Birmingham Post and Mail, has been made by the Iliffe family which already owns 81.2 per cent of voting shares.

□ UP TO 20 per cent of the Sinn Fein vote at last year's general election may have been acquired through electoral malpractice, Mr Douglas Hurd, the Northern Ireland Secretary, said.

The scale of personation – voting in someone else's name–had grown dramatically, and amounted to a threat to the integrity of the electoral system in the province. He was speaking in a debate on a Bill intended to end the practice.

□ A DELEGATION of MPs and civil engineering industry leaders will attempt to persuade Mr Norman Lamont, Industry Minister, that the agreed sale by British Steel Corporation of a controlling stake in its iron pipe-making offshoot should not go ahead.

Stanton and Staveley has been sold to St Gobain of France for £19m. It is claimed that the sale would lead to a French monopoly in iron pipe in Britain. The deal awaits approvals by the Monopolies and Mergers Commission.

London and Paris agree on Channel-link finance

BY ANDREW TAYLOR AND DAVID HOUSEGO

PLANS to build a cross-Channel link between Britain and France have been taken further forward by agreement between the two countries on how such a project should be financed.

Both countries said they would provide the political framework to allow a scheme to go ahead. They stressed, however, that any cross-Channel tunnel, bridge or combination of both must be financed entirely from the private sector.

The French authorities have accepted the British position that no government financial guarantees should be available to support a cross-Channel scheme.

An Anglo-French working party is to be established to advise on the financial and technical requirements which schemes will be expected to satisfy.

Detailed proposals, including financial arrangements, should be submitted to both governments once the working party reports in about three months' time.

The agreement was announced in a joint statement after a meeting between Mr Nicholas Ridley, the UK Transport Secretary, and M Jean Auroux, the French Transport Minister, late Wednesday night.

After the decision by the UK Labour Government in 1975 to pull out unilaterally from earlier Channel

Nicholas Ridley: no state guarantees

tunnel plans, the French had been anxious to hear at first hand of the present British Government's readiness to give support.

The joint statement was seen in Paris yesterday as providing a political commitment that would help to advance the project. M Auroux said: "We have taken a fresh step forward, I have the impression on the British side of a will to go ahead that has been clearly stated."

France has been pushing the project more forcefully than Britain, because of the estimated 10,000 jobs that could be created in the depressed northern region of the country during construction. France also hopes that a cross-Channel link would connect with its high-speed train (TGV) network.

The commitment to financing the project without government financial support has less relevance in France where the banking system is largely nationalised

M Auroux said yesterday that a cross-Channel link would represent the cost of two nuclear power stations – or about FFr 30bn (£2.6bn).

Cross-Channel schemes have been proposed by:

- The Channel Tunnel Group – representing construction companies Wimpey, Costain, Tarmac, Taylor Woodrow and Balfour Beatty – which is proposing twin rail tunnels.
- Euroroute, proposing a combination of bridges and a tunnel. Consortium members include: British Steel, British Shipbuilders, Trafalgar House, civil engineers John Howard and Fairclough Construction, Société Générale banking group, civil engineers GTM Entrepose and Chantiers de l'Atlantique, the nationalised shipbuilders. Alsthom Atlantique and Grands Travaux de Marseille are also associated with this project.
- Bouygues, the French private construction and civil engineering group, is working on a feasibility study to build a 22-mile road and rail bridge.

Du Cann voted out of top Tory post

By Peter Riddell

MR EDWARD DU CANN's record 12 years as chairman of the 1922 Committee of Tory backbenchers was ended last night in a surprise upset. In an election by the MPs, he was defeated by Mr Cranley Onslow, a former Foreign Office and aerospace minister.

Mr Onslow won by a margin of 117-94 after three ballots. The result reflects a shift among Tory MPs in the last few days towards a desire for change, coupled with a willingness to support whichever of the four challengers made the strongest running in the early ballots.

The chairman of the 1922 Committee acts as a spokesman for Conservative backbenchers to channel their views and worries to the party leadership. The outcome reflects personalities rather than policy differences.

Mr Onslow the MP for Woking in Surrey, has been in the House of Commons for 20 years. He served in the Edward Heath administration and became a Foreign Office minister during the Falklands war in 1982. He left the Government a year later in protest when Mr Francis Pym was sacked as Foreign Secretary.

Government set to tackle skill shortages in new technology

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE GOVERNMENT is preparing to establish a new body to unite industry and education in an attack on skill shortages in advanced technology areas.

A high-level group of industrialists, educationalists and civil servants will be given responsibility for developing and monitoring programmes of action to overcome the skill shortage problem.

Establishment of the group will be proposed later this month in the report of a Department of Trade and Industry committee under the chairmanship of Mr John Butcher, junior Industry Minister.

In its first report, published in July, the Butcher committee warned of graduate level skill shortages and loss of UK market share in the information technology sectors. This month's report will draw attention to similar shortages among technicians.

A central issue facing the Butcher committee has been to decide what institutional arrangements should be made to tackle the problems.

Ministers will avoid setting up a new public sector body for the task. Industrialists on the Butcher committee welcome the decision to use an organisation linked to the Confederation of British Industry. They see it as reinforcement of the view that higher education must direct sufficient resources towards meeting industry's skilled labour needs. Understanding British Industry, a project which encourages better links between schools and industry, is already run by the CBI Education Foundation.

Merger of roles urged in gilts sector

BY JOHN MOORE, CITY CORRESPONDENT

THE ROLES of market makers in British Government stocks and discount houses should be merged, Mr Gordon Pepper, a senior partner at stockbrokers W. Greenwell & Co, told the Society of Investment Analysts last night.

"The strongest argument for merging the roles of gilt-edged market maker and discount house is to economise in the use of capital," he said.

Mr Pepper was speaking after the publication of the Bank of England's discussion paper last week which recommended wide-ranging structural changes in the gilt-edged government stock market.

He said under the Bank's proposals, the roles of gilt-edged market maker and discount house might not be merged "but, on the other had, the Bank is not insisting that the two must be kept completely separate."

The Bank, he said, "can be accused of not proposing a scheme under which capital can be used efficiently."

He said another reason why the roles of gilt-edged market maker and discount house should be merged was simplicity.

An important reason why the Bank was not prepared to allow the roles of the gilt-edged market maker and discount house to merge, he said, "is that it wants the gilt-edged market to remain part of the Stock Exchange but knows that discount houses are very unwilling to subject themselves to the authority of the Stock Exchange."

Unions to meet on BL strike

By Arthur Smith, Midlands Correspondent

THE FUTURE of the pay strike at Austin Rover, which has halted volume car assembly within the BL subsidiary for two weeks, rests on a meeting of union leaders in Coventry today.

Mr Moss Evans, the general secretary, has pledged the Transport and General Workers' Union to defy a High Court injunction ordering withdrawal of the strike call until a secret ballot has been held.

Such defiance could put the union in contempt of court, make it liable for heavy fines and pose a direct political challenge to the Government's recently-enacted 1984 Trade Union Act.

A meeting of the union side of the Austin Rover negotiating committee, called in Coventry today, could defuse the confrontation, however. The committee will consider company claims that the strike is crumbling rapidly.

Austin Rover insisted last night that of its 14 factories, only the two main assembly plants, at Cowley, Oxford, and Longbridge, Birmingham, were not working normally.

At Longbridge, the company said one in six of the 10,800 workers had crossed picket lines. Some engine production had been resumed and limited numbers of Metro cars were being assembled.

At Cowley, more than one in five of the 5,000 assembly employees were working and the Montego model was back in production. The key to today's union meeting will be the line taken by the transport workers. The fact that the union has declared the strike official means it could exert power – regardless of arguments about popular support – merely by picketing vehicles entering and leaving the two main assembly plants.

Austin Rover insists it will be returning to the High Court on Monday to pursue contempt action against the six unions which have not complied with the injunction to withdraw the strike call.

Metro tops output table, Page 8

TUC urged to change ballot cash policy

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE TRADES union congress (TUC) will next week be pressed to change its policy towards a key section of the Government's labour legislation by sanctioning applications from its affiliated unions for money from the Government to fund internal union ballots.

The move, expected at next week's meeting of the TUC's employment policy committee, follows the announcement this week by leaders of the electricians' union, EETPU, that it is going to apply for Government money for ballots under the terms of the Employment Act 1980.

Senior union leaders have been angered by the EETPU's announcement – but in the main not because of its flagrant disregard of the TUC's policy of opposition to the Government's labour law, but because they are seen as having unilaterally jumped the gun.

The idea of dropping formal opposition to taking Government money for ballots stems from the greatly uncreased number of ballots required under the Government's Trade Union Act 1984 – before strikes, to elect union executive committees, and to maintain unions' political funds.

It is being formally raised with the TUC by the Association of Scientific, Technical and Managerial Staffs – whose suggestion in a letter dated October 30 from Mr Clive Jenkins, general secretary, pre-dates the EETPU's announcement.

Mr Jenkins' letters to Mr Norman Willis, TUC general secretary, says that the 1984 Act "raises clearly the matter of costs to unions."

Unions had already lost both members and therefore income because of the present Dovernment. "If wer have to suffer further inroads into our resources through having to carry out expensive forms of election we shall simply be adding to the injuries that we have suffered since this Government came to power."

Rush for blocks in high-risk offshore areas

BY DOMINIC LAWSON

OIL COMPANY enthusiasm for the forthcoming ninth round of offshore oil and gas licences has been so great that the Government may license more than its original target of up to 80 blocks, Mr Alick Buchanan-Smith, Energy Minister said last night.

Applications for licences in the ninth round do not close until December 17, but Mr Buchanan-Smith said that the indications were that the Government might exceed its target. The round is marked by the Government's decision to open up to the oil industry frontier acreage in the deep waters west of Shetland.

The department has been particularly pleased by the enthusiasm indicated by oil companies for exploring in such hazardous waters.

The Department has told the oil industry, however, that those companies which showed most willingness to explore in such high-risk areas would be given preferential treatment in the discretionary allocation of blocks in obviously desirable areas, such as the Southern Gas Basin.

The Government's plans to license up to 33 blocks west of Shetland were given a recent boost by two wells drilled west of Shetland by British Gas and Britoil. In August British Gas announced the first ever gas discovery in the area, and more recently Britoil drilled what was strongly rumoured to be a hydrocarbon discovery.

The ninth round will also contain an auction, of 15 blocks in the mature oil province in the North Sea. In the previous licensing round, 15 auctioned blocks fetched £33m for the Government. The indications are that the Treasury will receive more from the auction process this time, with oil industry predictions ranging up to £70m.

Ian Hargreaves writes: Gaffney Cline, the leading UK energy consultants, yesterday hit back at British Gas's attempts to discredit its forecasts of UK gas supply as part of the corporation's campaign to win permission to import £20bn of gas from Norway's Sleipner field.

In a three-page statement, Gaffney Cline described British Gas's use of its figures earlier this week as "deliberate misrepresentation." British Gas's aim in forecasting much lower gas supply from the UK North Sea in the next 15 years would be "self-fulfilling to the nation's loss," the statement said.

The consultant claimed that British Gas deliberately used in a public presentation a series of "optimistic" Gaffney Cline projections in comparing various industry forecasts of gas availability in order to make the consultant appear further out of line with other forecasts than was the case. Gaffney Cline has opposed the Sleipner deal.

"The figures quoted as Gaffney Cline's central case are in fact our optimistic case," the consultant said.

The company said, however, that it was not concerned that its assessment of future gas supplies was seen as over-optimistic. "We have a history of being proved right with the passing of time in such matters."

The experience of the last 18 months, the statement added, when large new volumes of gas had been discovered or brought forward for development in the southern North Sea, suggested that the industry "has the ability to more than meet the demand that could be made upon it should the nation decide not to import foreign gas.

"The benefits in terms of construction work for British yards, employment for our workpeople, tax benefits to the government and the overall long-term health of our industry are obvious."

The statement also added that Gaffney Cline no longer had any interest in any current or potential gas gathering system in the North Sea – a point designed to rebut implications that the company's economists had produced over-optimistic forecasts of gas reserves in order to stimulate interest in a new pipeline.

JCB may produce Leyland diesel engine

BY MARK MEREDITH AND IAN RODGER

J.C. BAMFORD Excavators (JCB), the leading UK construction equipment manufacturer, is considering taking over the production of the Leyland diesel engines now made at Bathgate in Scotland. It would want to produce the engines in a new factory.

Leyland, subsidiary of state-owned BL, announced last May its intention to close the plant in January 1986 and to abandon the engine. The factory employs 1,800 people.

Mr Anthony Bamford, chairman of JCB, said the company had long been looking at the possibility of making its own engines. The availability of the Bathgate engine provided an opportunity to examine the issue more carefully.

"We have been talking to Leyland about it, but nothing is going to happen quickly."

JCB used to be one of the principal customers for the Bathgate engine, but two years ago it withdrew its £3m annual order after a lengthy strike at Bathgate. It now buys 96 per cent of its engines from Perkins Engines.

Mr Bamford said he was a "satisfied customer" of Perkins, "but there does come a time when we can justify making our own engines." This year, JCB expects to buy nearly 8,000 engines.

Mr Bamford said the main reasons for the switch from Bathgate to Perkins were the high price and unsteady quality of the Bathgate engine. He understood the quality problems had since been solved but production costs remained too high. The Bathgate production line was designed to make 40,000 engines a year, but could not aspire to anything approaching that volume.

"If we were to take it on, we would not use their transfer lines, we would use modern flexible manufacturing methods," Mr Bamford said.

JCB would want another big customer for the engine to provide sufficient volume. One solution would be for Leyland to continue using the engine in its trucks. He was confident the engine could be developed to the point where its fuel consumption was competitive with newer engines.

Leyland, which uses about 12,000 engines a year, had told him, however, that its decision to replace the Bathgate engine in its trucks with the new Cummins B series engines was irrevocable.

Another possible customer would be Marshall Tractors of Lincolnshire, the private company which took over Leyland's agricultural tractor business in 1982 and still uses Bathgate engines in the tractors. Its requirement is relatively small, ranging from 1,500 to 2,000 units a year.

Mr Charles Nickerson, chairman of Marshall, has also been examining the possibility of buying the Bathgate plant. He said last week he was looking for other products which could add to the activity at the plant. He hoped to be ready to make a formal bid in the new year.

ICL launches OPD desk-top computer

BY JASON CRISP

ICL, the largest British-owned computer group, yesterday launched the first of three important products which are a key part of its recovery plan drawn up in 1981.

The company unveiled the One Per Desk (OPD) yesterday which combines a personal computer and a sophisticated telephone. ICL hopes it will become a mass office product used widely by middle and senior management. It has invested £10m in the venture including an automated production line at its factory in Letchworth, Hertfordshire.

The OPD costs £1,200 in its most basic form and includes a computer with word processing, spreadsheet and graphics programs. The terminal is largely based on the QL computer sold by Sinclair Research and uses the same suite of programmes developed by fast-growing software company Psion.

ICL has the capacity to make 100,000 OPD's in the first year although production will take some to build up. If the product is successful, revenue in the first full year could be nearly £90m.

The OPD, developed in collaboration with Sinclair Research and Psion, is seen as one of the most important products to come from ICL. The two other launches still awaited are the DM1 and Estriel, which are mainframe computers. The launch of DM1 was scheduled for this autumn and has been delayed. Estriel is to be introduced late next year.

ICL claims the OPD is much cheaper than rival products proposed by other companies such as IBM and Rolm in the U.S. The company emphasised the OPD's ease of use and the ability to perform different tasks at the same time. The product is not aimed at top management or people who would be heavy users of the personal computer.

● The pre-Christmas battle to sell home computers is becoming fierce. Acorn announced yesterday it is spending £4.5m on advertising its BBC and Electron computers and programs from its software subsidiary.

Acorn's main rivals are in the middle of heavy advertising programmes. Sinclair Research is spending £4m and Commodore, the U.S. company, is thought to be spending over £6m. The industry has been worried that the pre-Christmas home computer boom may not be as strong as in the last two years.

Competition is particularly fierce with entrants into the market like Armstrad doing well. Acorn hopes to sell 100,000 BBC computers (£399) and 200,000 Electrons (£199) before Christmas which would mean retail expenditure of about £80m.

Acorn is spending £2.1m promoting the two computers with television and cinema advertising.

Big increase sought in TV licence fee

BY KEVIN BROWN

THE HOME OFFICE expects to be asked by the BBC shortly before Christmas for an increase of about 45 per cent in the annual licence fee for a colour television.

This would raise the cost of viewing from £46 a year to about £67 from next March. The licence fee provides the main part of the BBC's finances.

It is a criminal offence in Britain to use a television without a licence, but officials estimate that 1½m households are watching television without one. This costs the BBC up to £60m a year – enough to cut the present cost of the licence by £5.

In the face of such large losses from evasion, the Home Office believes that a large increase in the fee would be difficult to justify to the House of Commons and to the public. It has asked the BBC, which is responsible for collecting the fee, to come up with proposals to stem the losses.

Two ideas are being canvassed by Home Office officials. These are that anyone selling a television set should be required to inform the BBC, or that the licence fee should be collected with the purchase price of a set, or as an integral part of rental payments.

It is believed that these provisions would catch the "hard core" of evaders, who either rent their set or buy it secondhand and often live in rural areas or tower blocks, where BBC mobile detection equipment is of little use.

The drawback is that both proposals would require legislation, since the effect would be to transfer collection of much of the licence revenue from the Post Office, which acts as an agent for the BBC, to retail traders.

This is seen as an opportunity for the BBC to come up with proposals which could be implemented more quickly.

An increase in the fine for non-payment of the licence fee has been ruled out. It is believed the current maximum of £400 is high enough to deter anyone who believes they are likely to be caught.

The BBC has also been warned that evidence of substantial savings in production costs will be required when negotiations over the next licence fee increase begin next month.

A review of efficiency to be delivered with the licence fee request will be examined closely for indications that costs are under control.

The Home Office has ruled out, for the time being, ideas for reducing the BBC's dependence on the licence fee by allowing it to broadcast advertising or through introducing a licence for car radios

BL's Metro retains top position in car output league

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MORE BL Metro cars were made last year than any other UK model. It maintained its leading position in the production league table ahead of the Ford Escort.

BL made 175,188 Metros. In a European context it compares with production of 345,000 Renault R5s, 483,000 Volkswagen Golfs and 376,000 Fiat Unos.

While most of the models in the accompanying table are well-known, the model listed at number five position is a vehicle unfamiliar to Britain. It is a car which Talbot UK has code-named Arrow and which is exported to Iran where it is sold as the Peykan and is that country's best-selling vehicle.

The figures are given in the annual statistical book from the Society of Motor Manufacturers and Traders, published this week, which for the first time includes output statistics for individual UK models from 1979 onwards.

This fills one of the few gaps left in what is called "The Motor Industry of Great Britain" but is probably the most complete set of statistics covering production and sales of cars and commercial vehicles in 30 countries as well as much other relevant international information about the industry.

UK production of cars by model
Top Ten

	1982	1983
BL Metro	173,574	175,188
Ford Escort	137,896	132,407
Ford Sierra	38,929	127,869
BL Maestro	2,282	101,790
Talbot Arrow*	27,216	85,296
Vauxhall Cavalier	59,283	77,274
Ford Fiesta	41,974	58,398
BL Acclaim	58,025	50,042
BL Mini	51,688	49,122
BL Rover	32,895	33,091

* Sold in Iran as the Peykan.
Source: Society of Motor Manufacturers and Traders

Figures show clearly how important the Metro has been in BL's revival. In 1981, its first full year of production, the Metro unseated the Ford Cortina – then in its last-but-one year of life – as the UK's most-produced car and its output has risen steadily since.

The Metro had a major impact on its old stablemate, the Mini, however. In 1979 more than 156,000 Minis were produced. This fell to 63,700 after the Metro arrived in 1981 and Mini output has been dwindling since.

Motor Industry of Great Britain 1984" £32.50. From the SMMT, Halkin St, London, SW1X 7DS

Venture to sell fast reactor technology

BY DAVID FISHLOCK, SCIENCE EDITOR

A JOINT venture to manage the commercial exploitation of Britain's fast reactor technology has been set up by the National Nuclear Corporation and the UK Atomic Energy Authority (UKAEA).

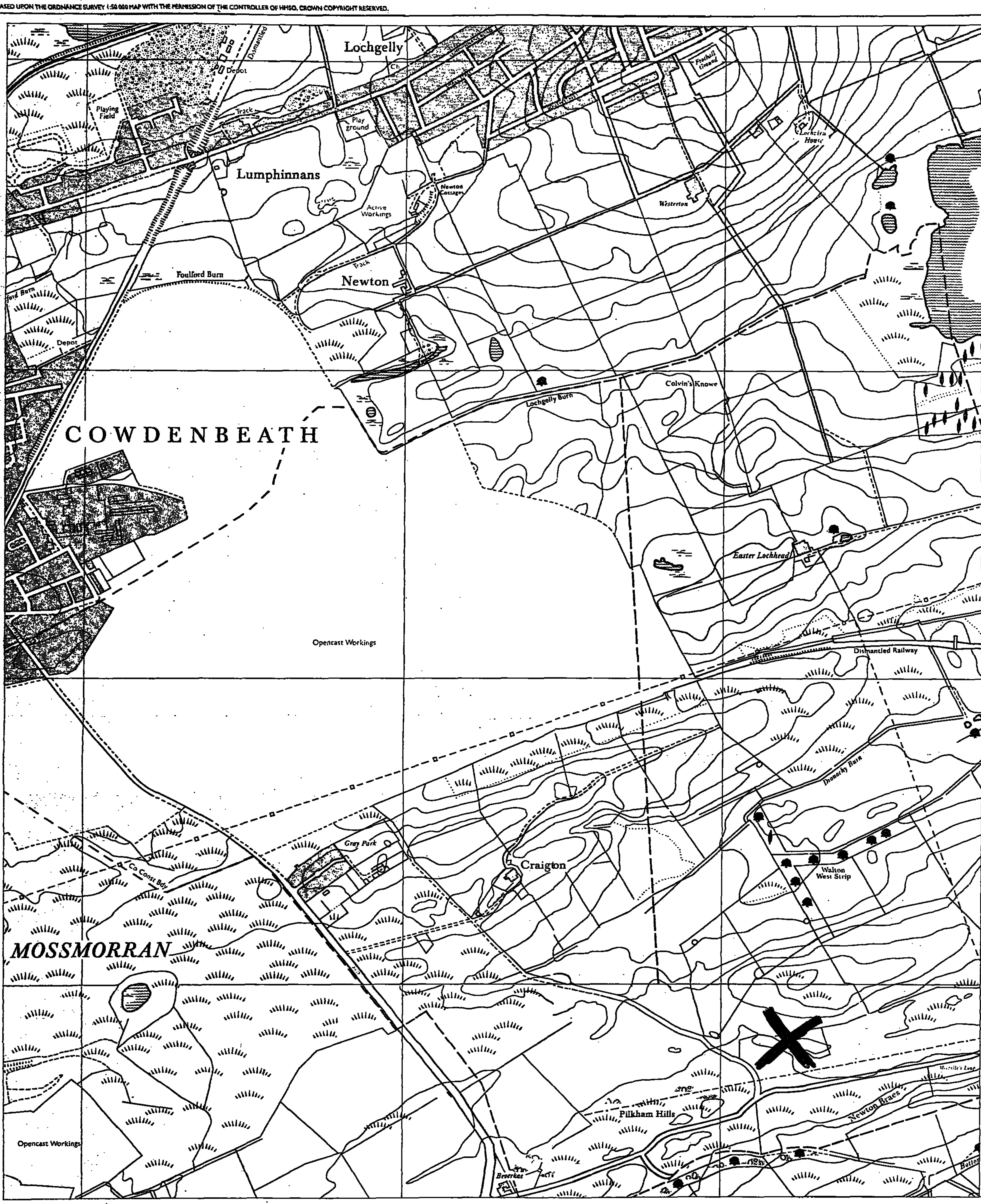
The new company, Fast Reactor Technology (Fastec), is negotiating a commercial agreement with its French counterpart Serena, which fulfils a similar role for French fast reactor technology.

Fastec is the latest step in the development of the European fast reactor collaboration in which Britain is joining with five European countries – Belgium, France, West Germany, Italy and the Netherlands – in a £300m ($378m)–a year pooled programme.

To meet this objective, the programme – managed from Paris – is planning a series of commercial demonstration fast reactors, in different countries, with cross-investment by associated electricity industries.

Fastec's task will be to protect British interests in a technology which the UKAEA has estimated may cost Britain a total of about £3bn, to bring to a commercial stage.

The National Nuclear Corporation (NNC), of which the UKAEA is majority shareholder, holds 51 per cent of the £100 authorised capital of Fastec, with the authority holding the balance.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Depot
COWDENBEATH
Colvin's Knowe
Lochgelly Burn
Easter Lochhead
Opencast Workings
Dismantled Railway
Dronachy Burn
Grey Park
Craigton
Walton West Strip
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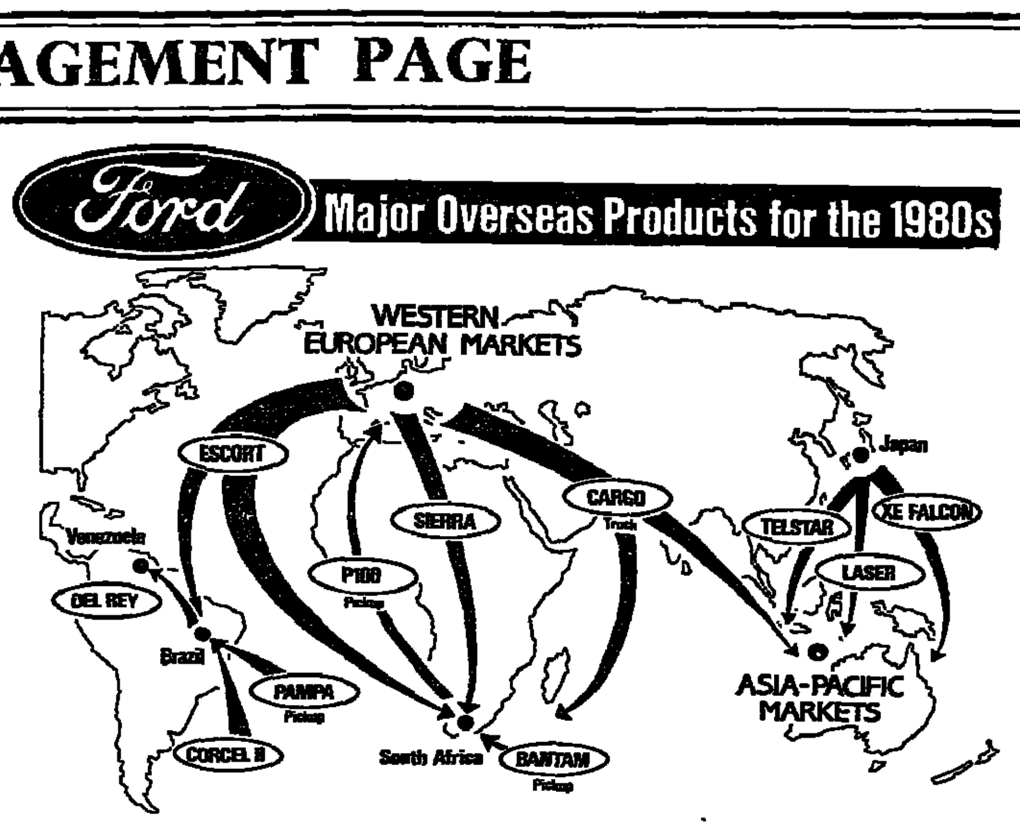
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ



Ford's 'do it only once' approach

Kenneth Gooding on the motor group's developing global strategy

THE CHANGES made by Ford, second-largest of the world's automotive groups, to its operations outside North America earlier this year focus attention again on its global strategy. Donald Petersen, Ford's president, points to his company's Brazilian "world truck" to illustrate the possible shape of things to come.

The truck will have a European cab and panels shipped out from Europe as well as using the European name, Cargo. It will have a North American chassis, a diesel engine developed from one used by the group's agricultural tractor division. And it will be assembled in Brazil for the domestic and North American markets.

As Petersen says, large automotive companies frequently use their commercial vehicle operations to experiment with new concepts because the volumes involved are much lower than they would be for most car models.

Ford has been working on its global strategy for some years now with the aim of getting more efficient use of its design, engineering and other resources around the world and co-ordinating the efforts of its far-flung subsidiaries.

Bob Lutz, a Ford executive vice-president and chairman of Ford of Europe, dubs this approach "doing things only once."

He points out that for the next eight to ten years at least it will not be possible for a car company to offer the same vehicle to every world market. For example, the Americans still prefer big cars, the Europeans smaller ones. In some South American countries—Argentina, Brazil, Mexico, Venezuela—there are local content laws which push up the investment and each model must be kept in production longer—they cannot be replaced at the same pace as similar models in North America or Europe.

"As it is impossible to do the same cars everywhere, in order to 'do things once' we try as much as possible to make as many mechanical components as interchangeable as possible. We are now routinely asking the question with every engine or transmission: Does it suit cars in all parts of the world? And we will do those studies even if there is no immediate apparent need to use the particular or transmission world-wide." says Lutz.

"There is absolutely nothing indecent about Ford of Europe designing a transmission for North America. Or North America designing an engine for Ford of Europe. And that type of thing is happening.

"As we reduce the number of people working in the product development area we find we have to take advantage of pockets of slack as they occur. We used not to do that. Ford of Europe was a world unto itself. Ford America was a world unto itself and that also went for Latin America and Asia-Pacific."

Symptomatic of Ford's search for a better use of its resources was the decision to ship 250,000 four-cylinder engines a year from the group's engine plant at Dearborn, Michigan, to Europe, starting next year: the first time Ford engines have crossed the Atlantic in that direction. (The U.S. has been taking about 250,000 European engines annually for some years.)

Ford will make a more-powerful version of its 1.6-litre engine and has decided to tool up for it only once, in Dearborn, where it has plenty of spare capacity.

The Brazilian truck venture shows that not only key mechanical components such as engines and transmissions are being considered for Ford's global supply strategy. Body panels, platforms and a variety of other components are on the list so that the company can enjoy better economies of scale.

Ford has a vice-president for technical affairs (currently Louis Ross) who reports directly to the president and whose role is to pull together and technical people from around the world to achieve as much simplification and commonality as possible in the components and vehicles Ford produces. So there is a structure in place for Ford technical people worldwide to talk to each other on a regular basis.

And in future there is likely to be one "lead" country for each new project. Whereas, for example, Europe and North America worked together on the Escort, it is probable that in future North American Ford will be responsible for the company's big car development while either Europe or Japan will take the lead for small cars.

In Japan Ford works with its 25-per-cent-owned associate Mazda. Petersen says that Ford's relationship with Mazda is still evolving and that "where we find efficiencies that are mutually beneficial, we will give them very serious consideration."

Mazda has already figured extensively in another part of Ford's global strategy, to be represented with a reasonable dealer network in every possible part of the world—but with minimum return objectives.

There were some parts of the world where it became clear a few years ago that the European products being supplied would no longer be able to compete with those supplied from Japan. Ford turned to Mazda to supply from Japan and there are now parts of the world where 100 per cent of the "Ford" cars sold are produced entirely by Mazda but with a Ford badge on them.

Lutz maintains: "If our best efforts at productivity improvements, quality improvements, gains in market acceptance and the reduction of our cost base still leave us uncompetitive on costs—or even when competitive we can't make money—we have at that point to identify a lower cost source."

He says that Ford's success in doing that in the Asia-Pacific region has been enough to turn around loss-making countries which were once supplied from Europe into very healthy profit makers: countries such as Australia, New Zealand, Taiwan and Malaysia.

This does not mean, however, that if there is a country where Ford is perennially in the red it will pull up stakes and leave. As Lutz points out: "We've shown a lot of patience in hoping that our ship will ultimately come in in places like Finland and Denmark."

Lutz, who was formerly chairman of Ford of Europe between 1976 and 1979, returned to the role in June this year following the sudden resignations of the former chairman, Ed Blanch and the president, Jim Capolongo. So the underlying reason for the change was obscured to some extent by the personality conflicts which had emerged into public view.

Until June Lutz had responsibility for all of Ford's operations outside North America. On his return to Europe, the Latin American and Asia-Pacific responsibility was handed over to Lindsay Halstead who previously headed Ford Latin America and reported to Lutz.

Explaining the change, Petersen says that Europe has grown to be so important to Ford over the years that Ford of Europe has now been promoted to equal status with NAAO (North American Automotive Operations).

NAAO has an executive vice president and a member of the board (Harold "Red" Poling) and now so does Europe in Lutz. Both report directly to Petersen.

Petersen maintains that it made sense to have a third man, Halstead, reporting to him for the Asia-Pacific and Latin American business because the South American countries insist on high levels of mandatory local content for vehicles and this produces management problems different from those in the rest of the world.

As for South America's place in the global scheme, the odds are growing in favour of links with Europe for product and design, he suggests. However, Mexico—already perceived by both Ford and General Motors as part of the North American supply chain—will probably remain closely linked with NAAO.

Some observers suggest that, if Ford has genuinely upgraded its European operations, the company could be in the process of turning into a genuine multinational—rather than one controlled and dominated by North America.

Investment dilemmas

Why the Japanese find Europe complicated

BY MALCOLM TREVOR

NISSAN'S much-publicised plans for a production site in Britain, and the gradual spread of Japanese factories into continental Europe and the U.S., might suggest that the previous trickle of Japanese direct investment has become a flood.

Such an impression would be wholly wrong. Like the senior Toyota executive who last month reiterated his company's long-standing reluctance to manufacture abroad, unless compelled to by local pressure, most Japanese managers are still convinced that it is impossible to produce as efficiently in Europe or the U.S. as in Japan.

In neither case is there a network of sub-contractors, controlled by the major enterprises, that can deliver components in the quantities and of the quality required at the right time and at the right price. And there are unfamiliar employment systems and human relations attitudes that do not support the company as they would in Japan.

Of the two, the U.S. is definitely preferable, since it is a homogeneous market with a broadly uniform approach to employee relations. But Europe is both fragmented and idiosyncratic. Different countries' labour laws, their educational and training systems, and their technical standards, each rooted in its own industrial past, together constitute what is seen as an irrational constraint on management. Then there are all the difficulties that come from the EEC's failure to make up its mind about Japanese companies and how to treat them.

This includes even investment incentives. They are now offered by most countries but, after some bad initial experiences, Japanese companies evaluate them carefully. One report ruefully concluded that in many cases the better the incentive the worse the snags that would crop up afterwards.

For these companies which feel impelled to have a manufacturing base within EEC tariff walls, the choice of location poses a painful dilemma.

Britain, Ireland and Italy have low labour costs but poor industrial relations records. Japanese managers find the Continental systems of legally defined rights and duties easier to follow than the "voluntarist" system in Britain and Ireland. On the other hand, they are cool towards work councils when, as in large West German firms, these may have statutory powers.

Language also plays an important role. Britain and Ireland have the advantage of speaking what is Japan's first foreign language. Japanese trading houses in Paris recruit English-speaking French staff, while Belgian personnel managers, who perform a key function as "go-between" for Japanese managers with their Flemish employees, must speak English. No wonder the Japanese find Europe complicated.

> British management is "less strict," and British workers "less acquainted with team-work." Portuguese workers have "some problems in efficiency," while Dutch workers are "gently and naive." From JETRO's survey on Japanese Enterprises in Europe

Japanese companies' problems with the delivery, quality and price of local components have been widely reported. Here Germany has had a better reputation than Britain. But the German training system, sometimes held up in Britain as a model, is criticised by Japanese managers for the rigidity it induces - flexibility of local employees, including managers, being a major issue for Japanese companies.

In the light of this bewildering array of factors, a Japanese company decision on where to locate a plant in Europe is a far from simple exercise.

To assist them, JETRO (Japan External Trade Organisation) carried out a survey of Japanese manufacturing companies and joint ventures in Europe. An English translation has now been published, although the title unfortunately omits the key word "manufacturing."*

Some of the information, for instance on the reasons for setting up in Europe, is familiar, but European readers should find Japanese evaluations of local workforces and local conditions eye-opening.

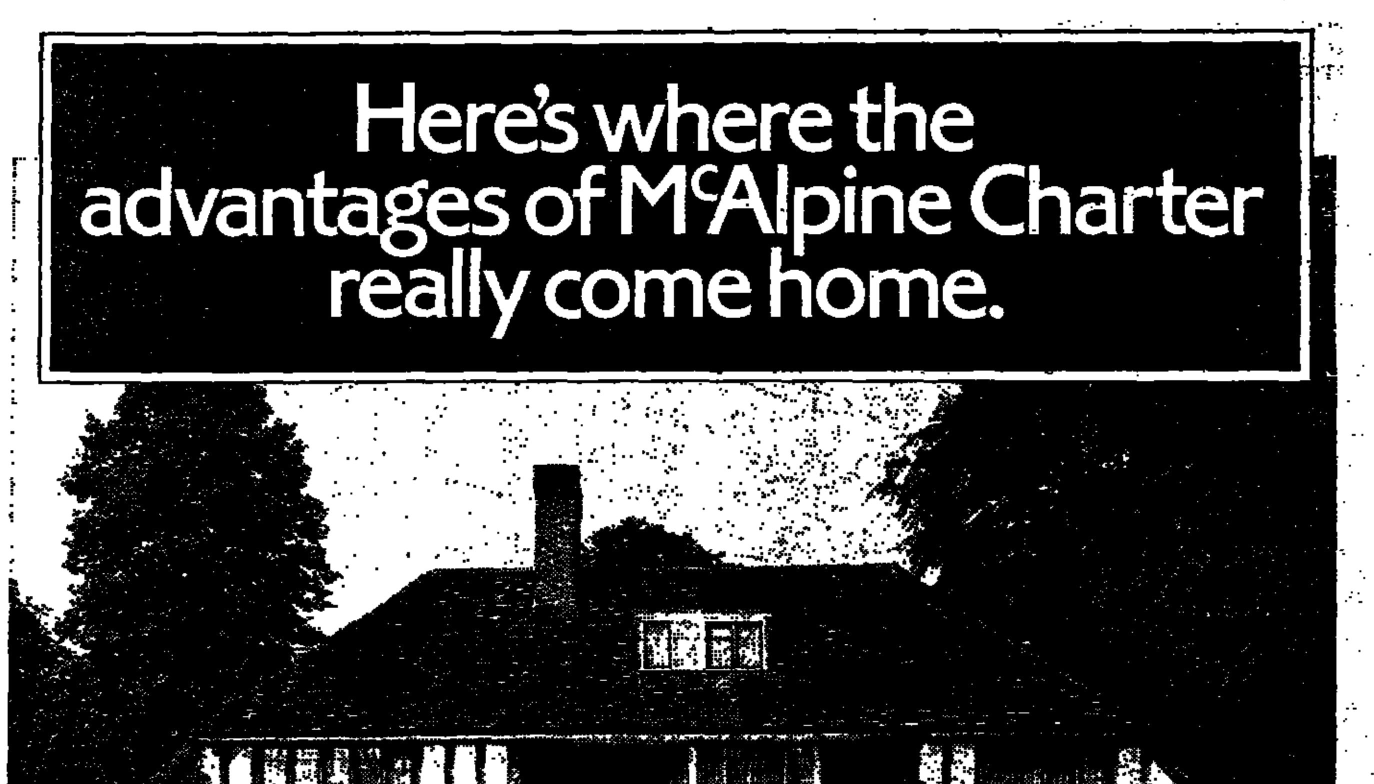
According to the report, British management is "less strict" and "British workers less acquainted with team-work." Portuguese workers have "some problems in efficiency." Dutch workers are "gentle and naive." For the majority of the 117 out of 157 companies that filled in the questionnaire, labour-management relations were seen as the main problem for Japanese manufacturers in Western Europe. The reason given was that "individualism is prevalent and people have a strong consciousness of rights." As some Japanese managers have discovered to their cost, this includes European managers, as well as shopfloor workers (in some cases, the managers have been by far the more troublesome).

JETRO's report has useful statistical and other information, although the English is not good and the spelling of some words, especially in German, was obviously not properly checked. The question by question presentation of the data sometimes makes it hard to see the wood for the trees, although there are two-page country overviews.

But it is useful to have a Japanese report in a European language, and it is to be hoped that more about the Japanese view of Europe will be published. There is a definite need to improve communication in both directions.

Japanese Enterprises in Europe. Distributed by Japan Intelligence Unit, North Oxford Academic, 242 Banbury Road, Oxford OX2 7DR. Tel: 0865-511166. Telex: 83354. Price £62 or $80.

The author heads the Japan industrial studies programme of the London-based Policy Studies Institute, where he is a Research Fellow.



THE PROPERTY COLUMN

EDITED BY MICHAEL CASSELL

A Parisian gamble finally pays off

AFTER a 25-year struggle to succeed, one of the biggest and most controversial gambles ever taken in the Parisian property market appears to have paid off.

Wedged within a loop of the Seine, less than two miles from the Arc de Triomphe, La Defense can finally claim to have overcome a quarter-century of criticism and near-catastrophe to emerge as a widely acclaimed success.

Work on its final phase is now nuder way and, by 1986, the project will embrace around 1.5m sq metres of office space, providing work for 60,000 people and a home for 20,000 residents.

Planned as a self-contained business and residential district which would prevent the city centre falling victim to the post-war wave of commercial development, La Defense quickly ran into difficulties.

Masterminded by a specially-created government development agency, which will soon be wound up, the project was almost at once engulfed in criticism. The critics attacked the architectural style and efficiency of the first generation of office towers, the poor communications with the rest of the city and the widespread and continuous disruption created by the huge development programme.

A second generation of larger, skyscraper buildings attempted make amends but they too were criticised by occupiers for numerous technical defects. Their unpopularity was confirmed with the arrival of the first energy crisis and a rapid escalation in running costs.

By 1975, La Defense found itself half-empty and at the centre of a political and financial crisis which embraced real estate scandals, the presidential campaign and even safety fears fuelled by disaster films like "Towering Inferno."

EPAD, the government agency in charge, was no longer collecting money due on its building rights and its own financial deficit rose alarmingly. What had been seen as a potential goldmine and a major community asset for Paris appeared increasingly like a graveyard of good intentions.

But in 1978, the development group SARI, headed by the then 34-year-old chairman Christian Pellerin, decided to step in where others feared to tread: "There was a lot of empty space and the centre suffered from a very poor reputation. We were convinced, however, that the concept was still an excellent one and that if we introduced a more thoughtful layout and better-designed buildings, we could succeed. We took a big gamble but it has worked out extremely well," says Pellerin.

Work on the final piece of the jigsaw, the Quartier Michelet, is underway in the knowledge that 97 per cent of the 250,000 sq metres being developed is already pre-sold or pre-let. One of the principal tenants will be IBM, which will be occupying 30,000 sq metres at a rent of nearly FFr 1,700 a sq metre.

The last office floorspace to be built is expected to be let at around FFr 2,000 a sq metre, close to the current top rental level being achieved in central Paris. In seven years, SARI will have developed 21 buildings accounting for around 500,000 sq metres of office space.

Some of the buildings have been sold to owner occupiers and others funded and held by institutions like Societe Generale, which is a shareholder in SARI.

The latest generation of office buildings, energy-efficient and often striking in appearance, have proved extremely successful and there is now virtually no office accommodation available. Problems of high running costs still persist in many of the older properties and the cost of modernising them is considered prohibitive. Even so, there is no shortage of tenants in a market where supply is critically short.

At least some of the project's most recent success has to be accounted for by the overall strength of the Paris market. New development in the central Paris district has become almost impossible, with prime rents rising from around FFr 1,500 to sq metre to over FFr 12,000 in two years.

Penalties attached to the creation of new office space in Paris, together with continuing controls designed to encourage decentralisation, have combined to dry up the supply of fresh accommodation. Refurbishment is difficult and extremely expensive.

According to Robert Orr in the Paris office of Jones Lang Wootton: "Restrictions on space and healthy demand have combined to make the Paris office market one of the strongest in Europe. In terms of rental values, however, it has a long way to go to catch up with centres like London."

Orr says that rental growth is expected to remain high in 1985 and the only option for large space users not prepared to keep up with the rent is to move out to the new towns. Even La Defense is fully spoken for.

He confirms the popular view that La Defence is now fully justified in claiming success: "Until five years ago, it was just a building site with a bad name. Its completion has enabled people to see it as it was envisaged and it has finally come right."

Average yields put shine on property

THE DEBATE over just how far the property investment market fixation with prime yields continues to disguise and distort the sector's true performance takes another turn this week with the appearance of a new measure for commercial property values.

The average yield index is the brainchild of Hillier Parker May & Rowden, the agents and surveyors, and it represents another attempt to provide a more meaningful appraisal of property's overall performance as well as a fair comparison with investment in equities and gilts.

The agents say it has become increasingly important to distinguish between the various yields prevailing within the property market. They emphasise that prime yields reflect only the very top of the market and can be very misleading when compared with the average yields used to measure the performance of equities and gilts.

Portfolio yields, on the other hand, involve properties held by institutions and invariably include complex and historic investments which would be unlikely to find buyers today.

The answer, according to Hillier Parker, is the new average yield exercise which is designed to show more clearly how yields have changed over time and to make easier the comparisons with other forms of invesment.

The first index shows average yields at 4.8 per cent for shops, 6.5 per cent for offices and 9.6 per cent for industrials, currently making them between 1 per cent and 2.5 per cent higher than prime yields. While prime returns have hardly moved in the past year, average yields have risen, with noticeable increases for offices and shops.

Hillier Parker, which uses a penalty system to compensate for the disadvantages inherent in property investment—such as depreciation — says property showed a better return than equities in the year up until August 1984 when using an average yield comparison, even though rental growth was lower than dividend growth. The reason was the wide gap in yields caused by the bull market in equities.

The agents conclude that, using average yields, the position of property in relation to equities and gilts has improved markedly over the past year.

Trafalgar's City sale

TRAFALGAR HOUSE Developments is understood to have sold a 53,000 sq ft City of London office building to Norwich Union for about £11.5m. Trafalgar held a long lease on the property, at 82-86 Fenchurch Street, and recently undertook a £6m redevelopment of the building. In a deal which is thought to show Norwich Union an initial yield of 6½ per cent, Trafalgar House were represented by Debenham Tewson and Chinnocks and Baker Harris Saunders. The new owners were represented by Wright Oliphant Tribe.

Funds still pouring into U.S. property

UNDETERRED by still-rising stocks of vacant floorspace and falling yields, the U.S. real estate investment market looks set for another wave of high-spending in 1985.

Despite some widespread and potentially alarming weaknesses in the marketplace—Coldwell Banker's national office vacancy index has risen to over 14 per cent for downtown areas—American investors seem determined to sustain the longest real estate construction boom recorded in the last 50 years.

Estimates of just how much money has flowed into U.S. property during 1984 vary widely but it is known that spending by public syndicators alone has exceeded $6bn. Private syndications may have accounted for four times that figure and, on top of that, the pension funds have invested more than all their competitors put together. With their exposure to property running at between 3 and 4 per cent of total assets, they still have a long way to go.

According to the Real Estate Research Corporation of Chicago, which has made a name for itself in telling it how it is, rather than saying what people want to hear, only foreign investors have cooled off, no doubt because of the strong dollar.

According to Leanne Lachman, president of RERC, the availability of capital will remain the driving force behind new investment in 1985, with supply and demand factors playing a secondary role: "Once again, too much money will be chasing too little product. New construction will occur at levels exceeding new demand and will postpone the return of a healthy, balanced market."

Lachman believes, however, that the paradoxical picture, in which avid investors push aside worries about overbuilding, low rental growth and erratic interest rates, will remain for a while yet. Prices, she says, will stay up simply because of the huge pressure of investment funds.

But if some commentators are preparing predictions of a crash, most still feel positive about prospects. Lachman is one of them and says attitudes towards real estate are becoming progressively more European: "There is plenty of evidence that investors are prepared to see lower initial yields, or even negative cash flows and to look instead to the longer-term."

She does believe, however, that the flow of funds into U.S. real estate will begin to fall back in a year or so, when overbuilding scares off new money or yields become hopelessly unattractive.

And although returns from real estate may well drop over the next few years, the financial risks, too, have been reduced, with a growing proportion of mortgage debt being provided by capital markets, rather than the more cyclical sources of funds. Real estate in America is, without question, now being held for longer periods than in the past—which might be just as well in view of the immediate outlook.

Company Notices

UNILEVER N.V.

DIVIDEND ON CERTIFICATES FOR ORDINARY CAPITAL
ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

Interim dividend payments in respect of the year 1984 will be made on or after 18th December 1984 as follows:—

SUB-SHARES OF FL.12
IN THE NAME OF MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY LIMITED
now MIDLAND BANK TRUST COMPANY LIMITED

A dividend, Serial No 113 of Fl.2.796 per sub-share, equivalent to 66.2638p converted at Fl.4.2195=£1.

DUTCH DIVIDEND TAX relief is given by certain Tax Conventions concluded by the Netherlands. A resident of a convention country will, generally, be liable to Dutch dividend tax at only 15% (Fl.0.4194, 9.9396p per sub-share) provided the appropriate Dutch exemption form is submitted. No form is required from UK residents if the dividend is claimed within six months from the above date. If the sub-shares are owned by a UK resident and are effectively connected with a business carried on through a permanent establishment in the Netherlands, Dutch dividend tax at 25% (Fl.0.6990, 16.5660p per sub-share) will be deducted and will be allowed as credit against the tax payable on the profits of the establishment. Residents of non-convention countries are liable to Dutch dividend tax at 25%.

UK INCOME TAX at the reduced rate of 15% (9.9396p per sub-share) on the gross amount will be deducted from payments made to UK residents instead of at the basic rate of 30%. This represents a provisional allowance of credit at the rate of 15% for the Dutch dividend tax already withheld. No UK income tax will be deducted from payments to non-UK residents who submit an Inland Revenue Affidavit of non-residence in the UK.

To obtain payment of the dividend sub-share certificates must be listed on Listing Forms obtainable from:—

Midland Bank plc, Stock Exchange Services Dept., Mariner House, Pepys Street, London, EC3N 4DA
Northern Bank Limited, 2 Waring Street, Belfast BT1 2EE
Allied Irish Banks Limited, Securities Dept., Stock Exchange, Bank Centre, Ballsbridge, Dublin 4
Clydesdale Bank PLC, 30 St Vincent Place, Glasgow.

Separate forms are available for use (a) by Banks, UK firms of Stockbrokers, Solicitors or Chartered Accountants (b) by other claimants. Notes on the procedure, in each case, are printed on the forms.

DUTCH CERTIFICATES OF FL.1.000, FL.100 and FL.20

A dividend of Fl.4.66 per Fl.20 against surrender of Coupon No 113. Coupons may be encashed through one of the paying agents in the Netherlands or through Midland Bank plc; in the latter case they must be listed on the special form, obtainable from the Bank, which contains a declaration that the certificates do not belong to a Netherlands resident. Instructions for claiming relief from Dutch dividend and UK income tax are as set out above except that UK residents liable to Dutch dividend tax at only 15% must submit a Dutch exemption form. Dutch dividend tax on this dividend is Fl.1.165 at 25% and Fl.0.699 at 15%. The proceeds from the encashment of coupons through a paying agent in the Netherlands will be credited to a convertible florins account with a bank or broker in the Netherlands.

A statement of the procedure for claiming relief from Dutch dividend tax and for the encashment of coupons, including names of paying agents and convention countries, can be obtained from Midland Bank plc at the above address or from the London Transfer Office.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR
London Transfer Office, Unilever House, Blackfriars, London EC4P 4BQ.
13th November 1984.

AMERICAN MOTORS CORPORATION

9% US-Dollar Bonds due 1989

Notice is hereby given to holders of the above Bonds that the redemption instalment of $2,000,000.— due on January 15, 1985 has been entirely effected in the market.
There will be no drawing by lot.

Southfield, Michigan
November 1984

AMERICAN MOTORS CORPORATION

ALUMINIUM PECHINEY

French Limited Company with a capital of FF 712.000.000
Registered Office in Lyon, 28 rue de Bonnel
Administrative Office in Paris, 8e, 23 rue Balzac

LOAN OF U.S.$25.000.000
9% 1970/1985

We inform bondholders that the U.S.$2,500.000 redemption instalment due on December 15, 1984 was partly met by purchases in the market.

For the redemption of the remaining amount of U.S.$2.381.000 due, a draw by lot took place in the presence of Madame Jeanne HOUSSE, notary public in Luxembourg.

Consequently, the 2.381 bonds of U.S.$1.000 numbered
21927 to 24893 inclusive
taking account of numbers already drawn for preceeding instalments, will be redeemable at par, coupons at December 15, 1985 and subsequent attached, as from December 15, 1984 date at which they will cease to bear interest.

Redemption and payment of interest will take place at the following Banks: CREDIT LYONNAIS, Luxembourg — CREDIT LYONNAIS, Paris — CREDIT LYONNAIS, Brussels — BANQUE NATIONALE DE PARIS, Paris—MM LAZARD FRERES et Cie, Paris—MM PIERSON, HELDRING & PIERSON, Amsterdam — BANQUE BRUXELLES-LAMBERT S.A., Brussels—DEUTSCHE BANK A.G., Franfurt — COMMERZ-BANK A.G., Frankfurt—MM. LAZARD BROTHERS & CO., London—CREDITO ITALIANO, Milan — CREDIT COMMERCIAL DE FRANCE, Milan — MORGAN GUARANTY TRUST COMPANY OF NEW YORK, New York

It is recalled that the following bonds previously drawn by lots, have not yet been presented for repayment
15.12.1982: Nos. 5363 and 5365
15.12.1983: Nos. 18169 to 18174, 19991, 20076 to 20087, 20100 to 20103, 21479 to 21487.

Amount remaining in circulation after this fourteenth instalment: U.S.$1.875.000.

The Fiscal Agent
CREDIT LYONNAIS
Luxembourg

INTL.ISSUE SOCIETE GENERALE FRN US$ 200 MILLION DUE NOVEMBER 1994

For six months, November 7, 1984 to May 6, 1985, the notes will carry an interest rate of 10,25% P.A.

The interest due on May 7, 1985 will be US$ 515,35 and has been computed on the actual number of days elapsed (181) divided by 360.

The principal paying agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

Allied Irish Banks Limited

NOTICE IS HEREBY GIVEN that the Ordinary Share Register of the Company will be closed from 26th November 1984 to 30th November 1984, both dates inclusive, for the purpose of preparing warrants for an Interim Dividend on account of the year ending 31st March 1985, which will be posted to Shareholders on 17th December 1984

By Order of the Board
D. B. MOTYER
Secretary

Bankcentre
Ballsbridge
Dublin 4
15th November 1984

TOKYO TRUST S.A.

INTERIM DIVIDEND

An Interim Dividend of US$0.70 per share will be payable on 23rd November 1984 to holders on the Register on 15th October and to holders of the Bearer Shares against presentation of coupon No. 22 at the Paying Agents:

Singer & Friedlander Ltd.
21 New Street, London EC2M 4HR
or
Kredietbank S.A. Luxembourgeoise
43 Boulevard Royal, Luxembourg

By order of the Board
TOKYO TRUST S.A.

CAVENHAM INTERNATIONAL B.V.

Loan of U.S.$50,000,000
9½% 1977/87

We inform bondholders that the U.S.$7,000,000 redemption instalment due on December 15, 1984 was entirely met by purchases in the market.

Coupons coming to maturity on December 15, 1984 will be payable at the following Banks: CREDIT LYONNAIS, Luxembourg — SOCIETE DE BANQUE SUISSE, Bâle — COMMERZBANK AG, Frankfurt/Main — CREDIT LYONNAIS, London — CITY BANK S.A., New York — SOCIETE GENERALE, Paris.

Amount not yet redeemed after this instalment: U.S.$25.000.000.

The Fiscal Agent
CREDIT LYONNAIS
Luxembourg

VILLE DE MONTREAL

UA 25,000,000
13½% 1981/1988 Bonds

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that no Bonds have been purchased for the Purchase Fund during the twelve-month period commencing November 10, 1983

Amount outstanding, UA 25.000.000.

VILLE DE MONTREAL
Quebec, Canada

November 14, 1984.

UNILEVER N.V.

CERTIFICATES FOR ORDINARY SUB-SHARES OF FL.12 ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE-EN TRUSTKANTOOR

NOTICE IS HEREBY GIVEN That EXCHANGES of Sub-Share Certificates in the name of Midland Bank Executor and Trustee Company Limited, now MIDLAND BANK TRUST COMPANY LIMITED, for Bearer Certificates and Unilever N.V. New York Shares and vice versa will be SUSPENDED FROM 30th November 1984 to 13th December 1984 inclusive.

Certificates will only be accepted for exchange after 13th December 1984 provided that all dividends declared prior to that date have been claimed.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

London Transfer Office
Unilever House, Blackfriars
London EC4P 4BQ
13th November 1984

CREDIT NATIONAL

Loan of U.S.$100,000,000
8½% 1976/1986 Bonds

Unconditionally guaranteed by the French State

Bondholders are hereby informed that the redemption instalment of U.S.$20.000.000 due on December 15, 1984 has been entirely met by purchases in the market.

Payment of coupons due on December 15, 1984 will take place at the following Banks: CREDIT LYONNAIS, Luxembourg—BANQUE NATIONALE DE PARIS, Paris — BANQUE DE PARIS ET DES PAYS BAS, Paris — SOCIETE GENERALE, Paris — EUROPARTNERS SECURITIES CORPORATION, New York.

Outstanding amount after this third amortisation: U.S.$40.000.000.

The Fiscal Agent
CREDIT LYONNAIS
Luxembourg

EUROPEAN BANKING TRADED CURRENCY FUND LIMITED

(CDRs)

The announcement that as from 23rd November 1984 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div. cpn. no. 1 of the CDRs European Banking Traded Currency Fund Limited will be payable with U.S.$0.62 per CDR, repr. 1 sh., U.S.$6.20 per CDR, repr. 10 shs. and with U.S.$62 per CDR, repr. 100 shs. (div. per record date 31.10.1984).

The dividend distribution is not subject to tax withholding at source.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
8th November 1984

Contracts & Tenders

FLORIST'S STALL AT BIRMINGHAM INTERNATIONAL AIRPORT

The concession to operate a florist's stall at Birmingham International Airport from 1st January 1985 is open to tender. Companies wishing to operate from this location should write for further details by Friday 23rd November 1984 to:

P. D. Williams, MA, Solicitor
West Midlands County Council
County Hall, 1 Lancaster Circus
Queensway, Birmingham B4 7DJ
Quoting ref. L/HDC/11, AP/287/PAL

TECHNOLOGY

EDITED BY ALAN CANE

COMPAIR INVESTS £4.8m IN MANUFACTURING HARDWARE

Laser cuts production time

BY PETER MARSH

A LASER cutting mechanism introduced at a manufacturer of compressed-air equipment has reduced from 22 to three the number of operations needed to make a vital component for reciprocating compressors.

The £130,000 machine was installed as part of an investment programme in manufacturing hardware that has cost the High Wycombe plant of CompAir £4.8m over the past three years.

Compair has an annual sales of some £200m, of which the High Wycombe plant (which encompasses the group's BroomWade division) is responsible for about a fifth.

Most of the investment went on new tools to automate the manufacture of metal items in short production runs. The BroomWade division produces no fewer than 230 different kinds of compressor. Annual output of a specific type of machine could be anywhere between 20 and 20,000.

The equipment made by CompAir has to be adaptable enough to fit to a wide variety of machinery. The company makes compressors to pump up tyres, blow air through sewage pipes, power the actuators of robots and operate valves in giant petrochemical plants.

The hardware operates in one of two basic ways. It can either be a reciprocating compressor, in which the machine features a piston which pushes the air through a non-return valve. Alternatively, the compressor has a pair of rotating screws that exerts pressure on air trapped between them.

According to Barry Holmes, BroomWade's managing director, customers are more likely to change their compressors in a short time and demand new, improved products. This puts the onus on the manufacturer to react quickly to orders from customers for what might be non-standard types of machinery.

With the factory's new, computer-controlled manufacturing hardware, the plant is better able to handle this type of order. "We can ring down to the factory floor and say we'd like 35 of a specific item—and by the afternoon, it's done," says Mr Holmes.

"The new machinery decreases unit costs and reduces lead times for the introduction of new products."

The laser hardware is one of a cluster of machines that turns out key components for the non-return valves in reciprocating compressors. In the valves, thin discs with holes in them are sandwiched between thick plates of the same diameter.

The discs spring into a set position after air from a piston is forced through them, in such a way that the compressed gas is held in a chamber until required.

The cutting apparatus is based on a 200W carbon-dioxide laser made by Ferranti. Laser-Work of Switzerland supplied the computer controls. An engineering team from the University of Loughborough helped CompAir with the installation.

The hardware is supervised by David Giles, who came to the job after several years of operating a metal press that stamped out the metal discs before the laser was introduced.

He feeds into the machine a computer tape (prepared by the factory's production engineers) that specifies the type of discs that are to be made.

The laser then cuts out from one sheet anywhere between four and ten discs, according to their size. The hardware works away automatically for 12 hours a day to produce an average of about 40 discs an hour.

The laser cuts with greater precision and with less distortion than the press. With the previous technique, the metal discs had to be heat-treated and cut with machine tools (for example to shave off rough pieces of metal) before they were ready for assembly into the rest of the non-return valve.

A total of 22 operations were needed, requiring a dozen machines (including the press) and about eight operators. With the laser, just two extra processes are required—deburring and marking with a part number. Mr Giles says his new job is more interesting than the old one. As for the other operators whose jobs were displaced, CompAir says these people were mainly redeployed into other parts of the factory.

The thick plates, or seats, which act as the outer layers of the valve sandwich are made with other items of machinery. A £52,000 sawing machine, made by Heller of West Germany, cuts up steel bar into blanks that are later machined to form the finished seat. The Heller hardware, whose operation is similar to a salanĭ slicer, uses a carbon-tungsten blade just 3 mm thick to reduce metal wastage.

Machining of the blanks is left to a £170,000 computer-controlled lathe, from Okuma of Japan, which came complete with its own robot. The latter feeds into the hardware blanks from a table so the machine can operate during the night unmanned.

The lathe, installed this summer, bores and drills using several turrets. A typical set of cutting operations used to take 15 minutes spread over several periods with up to five separate tools. This procedure has been replaced with one spell on the Okuma tool that takes just six minutes.

New high-speed laser cutting equipment, developed over two years by technical collaboration between CompAir Industrial Limited and a leading university, is now able to produce a compressor valve disc in only 70 seconds, from raw material to precision finished part

Two giant machining centres, both installed earlier this year, are responsible for shaping bulky components, for example parts of the casings of compressors. Both are controlled by reels of computer tape and require relatively little supervision — one worker usually tends to several machines simultaneously.

With one of the machining centres, bought for £400,000 from Mandelli, an Italian company, CompAir can turn out in five hours a component that used to take eight hours of machining on three separate tools.

The second set of hardware, made by Makino of Japan, gouges chunks of metal out of raw castings with up to 99 different tools, selected under computer control from a bandolier. The £270,000 machining centre works on castings loaded onto 10 pallets, which are automatically shunted in sequence in front of the rotating tools responsible for the cutting.

An individual casting spends 10 to 40 minutes on the pallets while machining takes place. The hardware works 18 hours a day (for some of this time unmanned) and every two and a half hours turns out a new set of five finished components.

One result of the investment programme is that over three years, the number of employees at the factory has fallen by about 150 to 950, with output staying about the same.

Computers

Digitising graphic images

USING A high definition solid-state camera developed by GHS Interfaces of Vancouver, in conjunction with the Perq workstation, Advent Systems of Wokingham has designed a system that allows drawings to be digitised, stored, displayed and modified quickly and efficiently.

The complete system is offered at under £50,000, which includes a Perq 2 workstation with two megabytes of mainstore, up to 140 megabytes of Winchester disk and a large landscape display. A camera stand and suitable lighting is included.

The camera scans 2240 lines of 1720 pixels (basic picture elements) and the captured image contains over 4m picture elements (eight bits are used to define each pixel).

Image capture time is about 15 seconds. Once the image is in semiconductor storage it can be improved while it is displayed on the screen. Other software allows panning and zooming and modification of the drawing lines.

Advent believes the system will allow easier maintenance of large collections of maps and drawings. More on 0734 784211.

Mistaken identity

INGERSOLL MASCHINEN und Werkzeuge of Coventry has asked us to make clear that a lathe pictured in the article "How to feed data to a monster machine tool" (this page, October 31) was built by Waldrich-Siegen of Burbach, West Germany, for which it is a distributor. The article dealt generally with a gantry tool built by Waldrich Coberg, also of West Germany.

Materials

Novel polymers

SANDIA National laboratories believes that it has come up with a novel polymer which may reduce the number of steps in silicon chip making.

Its scientists have discovered a class of polysilane copolymers which can self-develop upon exposure to ultraviolet light. They realised that this property was potentially useful to the microelectronics industry as a photoresist material.

A photoresist is a thin layer of photosensitive material applied to a silicon wafer, exposed to ultraviolet light that is projected through a patterned mask. But conventional photoresists have to go through a complex solvent development process rather like photographic film developing.

In addition, the scientists say that the polymer does not give off harmful gases, and are not toxic or corrosive. Commercial use of the polymer may be only one or two years away.

Design

Marine construction

COMPUTER-AIDED design market leader Computervision has agreed with British Shipbuilders to develop jointly a new generation of design and manufacturing software for marine design and construction.

The project will produce a specification for tailoring CV's CADD 4X multi-application software to the particular design needs of marine engineering. CV will market the products to the shipbuilding and offshore industry throughout the world.

Education

Small robots

THE Open University has ordered 150 small robots for educational uses from Nottingham-based TecQuipment. The machines will be used by students in two Open University courses, robots in manufacturing and robotics and computing.

The £3,400 device, on sale since July, has an articulated arm with six axes of movement. It is driven by DC servo motors and can lift up to 1 kg. Students program the robot with a microcomputer such as the Open University's Hektor or the BBC-B machine made by Acorn.

TecQuipment says that the machine is a scaled-down version of robots seen in industry. As a result, with the device people can learn the rudiments of using robots in jobs such as spraying paint or drilling.

Energy

Fuel cells

FUEL CELLS which convert methanol and oxygen into electricity without going through a heat cycle could be used to power cars in the future.

Researchers at Los Alamos National Laboratory in the U.S. have been undertaking work on fuel cells. They are to experiment with a fuel cell and methanol fuel processor under the conditions a conventional vehicle would provide. The first actual vehicle tests will probably be in a commercial bus.

MASS COMPUTER STORAGE SYSTEMS

Optimism for the optical disk

IN VIEW of the embryonic state of the market, Frost and Sullivan in a recent report* shows notable optimism about sales of optical disk stores in Europe for this year and the period to 1993.

The market research company predicts that in Western Europe in 1984 a total of 546 of these non-erasible (but low storage cost) optical disk drives will be installed, producing revenues of $27m. With barely a month of 1984 to run, and with few if any potential users revealing their hands, the exact destination of the units is unclear.

But F&S produces a breakdown by applications of where the units are going. Transaction recording could be the biggest consumer, accounting for 150 units this year, rising to 9,400 annually by 1988. These are applications where frequently used but infrequently changed files are currently on magnetic tape or disk, microfiche, or even paper. Banking, insurance, airlines, credit cards and the Government are the main areas.

Mapping/remote sensing, magnetic disk back-up and telecommunications store-and-forward systems are each predicted to account for 80 to 90 units, while oil exploration data storage will consume about 55.

The main contender for the European market in 1984 is said to be Storage Technology Corporation ($8m of sales in 1984), but since the report was compiled the company has run into financial trouble and Frost and Sullivan's other two main contenders, Philips and Thomson-CSF, placed in equal second place with $4m each, may come to the fore. Shugart's sales are put at $2m, Matsushita's at $1m.

But plenty of other U.S. companies either offer, or are likely to offer systems, including Drexler, RCA, NCR, Kodak, Control Data, 3M, Texas Instruments, and Xerox. As ever, IBM remains a dark horse and could influence and seriously impact the market on entry. The company has not, as yet, made any definitive announcements. F&S indicates that most of the European and Japanese electronics majors are likely to take an interest.

On the technology front the search has been on for a better recording surface than tellurium, which in its pure form oxidises within two years. Approaches to better archiving qualities have included alloying tellurium with arsenic and selenium, hermetically sealing the discs and using glass subtives like polymer/dye binders (Kodak) an dsilver halides are being developed, and Drexon's silver/polymer combination has proved successful. But all the makers are believed to have had yield and consistency problems.

Most manufacturers are now claiming a useful life in excess of 10 years. But it is interesting that the U.S. Library of Congress, now piloting an Integrated Automation system using Thomson-CSF disks, believes that long life is not a worry—they plan simply to re-record at intervals, which is what happens with magnetic media at the moment. In addition, non-erasability, far from detracting, seems to make optical disks more attractive in industries like banking, where it provides protection against tampering and gives a complete audit trail.

Optical disk storage seems bound to succeed on space and cost considerations alone. The Philips 30cm digital disc for example, can hold 0.5m pages of text or 30,000 TV-like images. RCA and Philips both expect disk prices to drop to the $10 to $20 within a few years, which would bring media costs to 0.2 per cent megabit—and a megabit is the equivalent of about 1,000 pages of A4 typewritten text.

* Optical Memories and Memory Drives Market in Europe. (E657), two volumes, 585 and 262 pp: U.S.$1950.

PROJECT TO HELP THE BLIND

Japanese plan robot guide dog

JAPANESE engineers have given further details of an ambitious and long-term research project to develop a robot guide dog to help blind people.

In the work, which started in 1977 at the Japanese government's Mechanical Engineering Labatory near Tokyo, researchers are building a machine called MELDOG that travels in front of a blind person, feeding to him information about his surroundings.

The work follows on from the development over the past decade of a range of sonic aids for blind people. Held in the hand or fixed to spectacles, these emit ultrasound and pick up reflections from objects near the user. Information about the objects, for example how far away they are, is provided normally by a coded series of tones.

Such aids have been slow to catch on among blind people. Not only are they expensive but the coding system by which the information is transmitted can be difficult to learn.

The Japanese workers hope to go a stage further by fitting to MELDOG a range of sensors such as a small TV camera as well as sonic devices. A computer in the machine, which travels on wheels, is given a digital map of the specific path along which the blind person is to travel.

Progress in the research project has been slow. The Japanese workers have trained MELDOG to recognise a series of white lines on a road. They are now atempting to teach it to spot other similar markers such as walls and poles.

Sesumu Tachi and Kiyoshi Komoriya, two workers at the Mechanical Engineering Laboratory, report in a recent paper that a number of problems remain. These include the need to find a general method of detecting and avoiding obstacles and to develop a simple way of coding information for the user.

FINANCIAL TIMES SURVEY

Friday November 16 1984

Designed to convert natural gas liquids from the North Sea's Brent Field into downstream products for the chemical industry, the Mossmorran complex is a major achievement in engineering and inter-company co-operation. It will not be easy, however, to sell the output in an already over-supplied market

Mossmorran

A £353m feat of co-operation

By Mark Meredith

WITH THE opening this autumn of two large-scale plants at Mossmorran in Central Fife for processing gas liquids from the North Sea, a large piece of unfinished business has been completed.

It started in a cluster of 12 production platforms in the East Shetland basin. As well as oil surging up from the sea-bed wellheads, there were also vast quantities of gas.

The gas was of two types: first dry gas, the kind used for most of Britain's cooking and heating, amounting to more than a tenth of the national requirement. There were also wet gases, (natural gas liquids): ethane, a feed stock for ethylene and its array of downstream industries; the gas fuels, propane and butane, for use in industry and in the home; and natural gasoline, a confusingly named left-over commodity often mixed as an additive to petrol.

To bring these riches ashore a hugely complex offshore production system had to be put in operation. The oil from the 12 platforms was collected and piped along the seabed west to the Sullom Voe oil terminal.

To handle the gas, a £1.3bn project called FLAGS (Far North Liquids and Associated Gas System) was created. This involved building the longest underwater pipeline in the UK sector of the North Sea. A gas terminal at St Fergus, north of Aberdeen, which was started up in late 1982, extracted the methane or natural gas for the British Gas national grid.

Only the natural gas liquids remained, and the volumes available and their value ruled out flaring.

This task is now being handled by Mossmorran, a complex of towers, tanks, and pipework built at a cost of £353m and now operating in rural Fife.

The new plant takes the incoming natural gas liquids fed down a 138-mile pipeline from St Fergus, and distils them down into ethane, propane, butane and natural gasoline.

Like the rest of the FLAGS system (which it completes) Mossmorran is operated by Shell Expro, which brings together Shell and Esso as equal partners in offshore projects within most of the UK sector of the North Sea.

Adjacent to the Shell Expro separation or fractionation plant is the Esso Chemicals ethylene plant due to come into operation next year. A £400m project, the plant will use the ethane produced by Shell Expro. Both groups will ship their products out from the Braefoot Bay terminal on the Firth of Forth five miles away.

Mossmorran has been a remarkable feat of co-operation among 33 often competing offshore interests to pool efforts to bring their gas ashore and it has, in the view of some of its participants, justified the UK Government's withdrawal of support in 1981 from plans for a giant gas gathering pipeline, leaving the collection up to the private sector.

Benefits

The benefits it has brought and the efforts made to ensure it is a good neighbour have been considerable.

● Building the gas plant, along with the Esso Chemicals plant nearby produced the largest construction site in Britain. In the midst of a recession the two work sites produced a new level of economic activity in an area needing the jobs.

● The fractionation project has also been significant for relations between management and labour in the national engineering industry. Their 1981 agreement on a joint approach to wages and conditions has brought peace to one of the most turbulent areas of British industrial relations.

At Mossmorran, only 1.28 per cent of manhours were lost through industrial action. At the end of the 1970s a figure of around five per cent could normally be expected.

● For the already well-endowed electricity generating industry in Scotland, a new customer consuming 30MW is particularly welcome.

● An elaborate and much-publicised saftey programme covering the pipline down the north-east Scottish coast, through the separation plant and down to the terminal on the Firth of Forth, has done much to allay the fears of its critics. Worries over the environmental impact have been met by giving the plant a low profile and by careful disguising of its underground piperums.

For Fife itself it has provided much needed further diversification. This small region has been anxious to attract new industries as local coal mining has dwindled. Fife has done well in attracting new high technology industries, many of them looking for "Greenfield" sites. It now boasts about a quarter of the jobs in the new electronics industries growing up in Scotland.

Yet, there is disappointment that the effects have not been greater. Neither the gas separation plant nor the nearby Esso plant have produced the hoped for and counted on downstream industries, such as plastics, to tap the new ethylene resource, though there are hopes this could yet change.

The market for Mossmorran's liquid gases is also not as straight-forward. While the oil and natural gas have found ready markets, not quite the same can be said for the propane, butane, and natural gasoline moving out of Braefoot Bay.

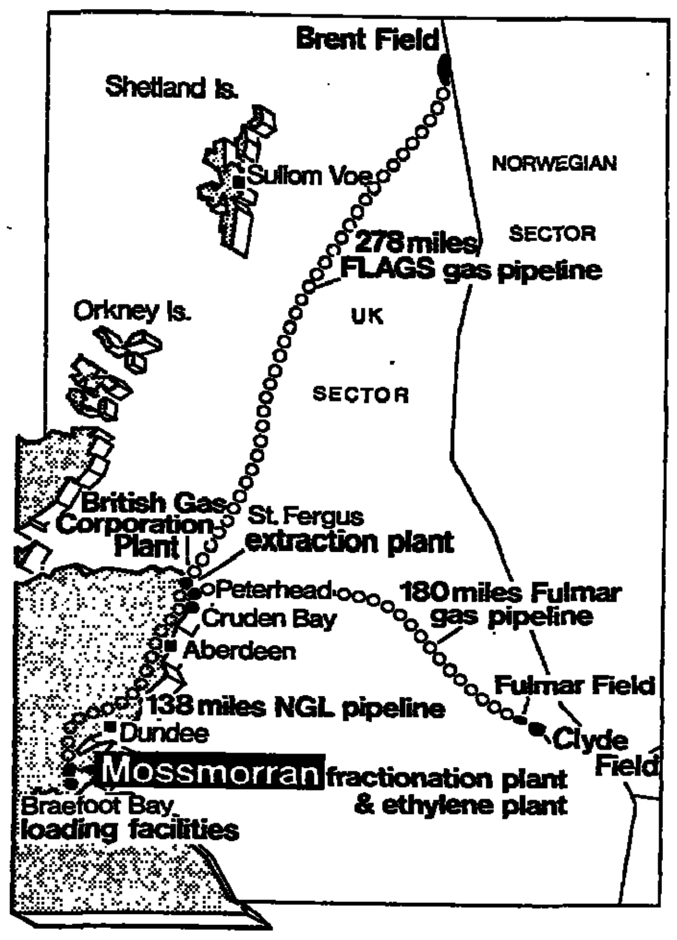
The international liquid petroleum gas (LPG) market is an uncertain one and not as easy to monitor as oil and natural gas. It is influenced by costs of and types of transport, the varying demands of end-users and potential over-supply.

Mossmorran will add just under 1m tonnes of propane and butane to current North Sea production of 2m tonnes. This is more than the UK can absorb with such rich reserves of readily available natural gas.

So Mossmorran counts on the export market where it faces increasing competition from Algeria. The current world production of LPG, 110m tonnes a year is expected to grow to 127m in the next four or five years with most of the growth from the Middle East and North Africa.

At the moment a large single buyer, Northern Liquid Fuels International of Houston, Texas, will take the bulk of Mossmorran propane and butane for the U.S. and European markets. The natural gasoline will be shipped off for use within UK industry.

The amount of liquid petroleum gas leaving Braefoot Bay terminal in Fife will still be smaller than the 1.5m tonnes produced at Shell Expro's Sullom Voe oil terminal. Some NGLs are left in the oil piped ashore and separated at the terminal.



CONTENTS

WHAT PETROTALK IS ALL ABOUT

MOSSMORRAN BRINGS with it the world of petrotalk. Here are some useful terms and acronyms.

● FLAGS: The Far North Liquids and Associated Gas System. The operation gathering, transporting, processing and dividing the spoils for the associated gas produced with oil in the cluster of northern North Sea oilfields. Costing about £1.3bn, it brings together 12 North Sea production platforms in six fields and 33 participating and often competing companies along with two downstream separation plants in one operation run by Shell Expro.

● Shell Expro: Shell Exploration and Production acting on behalf of Shell UK and Esso Petroleum. Both are 50:50 partners in exploration and production offshore in most of the UK sector of the North Sea.

● NGLs: Natural Gas Liquids. Looking broadly at the whole fuel spectrum from gas at one end down to heavy oils and bitumen at the other, gas liquids are on the border between gas and oil and can be either liquid or gas depending on pressure and temperature. The NGLs include ethane, propane, butane and natural gasoline. These so-called "wet gases" are heavier than air.

● Dry Gas: The top of the fuel spectrum, methane or C1. This gas is produced with oil or produced by itself in the large gas fields in the southern North Sea and now in the Irish Sea as well. The mainstay of natural gas.

● Natural Gas: What British Gas provide for home heating cooking. Largely methane but often with a small infusion of ethane to increase its calorific value.

● Ethane: Or C2 and next down the line. Ethane is the feed stock for ethylene (see below). After it is separated from the NGLs it goes through a separate process to produce ethylene.

● Propane: C3 and the gas used for homes and industry in outlying areas not served by gas mains carrying natural gas. Often stored in large cylinders under pressure to keep the gas liquid. Low freezing point.

● Butane: C4 as used in Camping Gas and Calorgas cylinders for outdoor and leisure use. Like propane, butane is heavier than air and does not dissipate as easily as methane.

● Natural Gasoline: C5 and not the same as petrol. But combined with other chemicals it is often used as an additive to petrol.

● Gas Separation: Or fractionating. Distilling gas and gas liquids to separate out the lighter gas which rises to the top of the fractionation column. First ethane is taken out, then propane, the butane leaving natural gasoline.

● LPG: Liquid petroleum gas covers the range of propane and butane gases. Does not cover natural gasoline.

● LNG: Liquid Natural Gas—methane frozen into a liquid.

● Liquefaction: Refrigerating and/or pressurising gas until it turns into a liquid. Gas expands as it reaches room temperature so freezing it in effect condenses the gas.

● Mossmorran: The site for two operations. First, the gas fractionating plant run by Shell Expro dividing NGLs brought in by pipeline from St Fergus into ethane, propane, butane and natural gasoline. Second is Esso Chemical's adjacent ethylene plant due to come into operation next year. Esso takes ethane from the fractionating plant and "cracks" it—heating with steam and then cooling to break down the gas molecules into ethylene and hydrogen.

● Braefoot Bay: The terminal on the North shore of the Firth of Forth four miles south of Mossmorran where gas-carrying ships will dock to pick up liquefied propane and butane or natural gasoline. A spur of the jetty will handle ethylene-carrying ships for the Esso plant.

● St Fergus: The landfall of the 278-mile underwater pipeline carrying gas and gas liquids from the eight northern offshore fields. Here methane (and a small quantity of ethane) is drawn off and supplied to the adjacent British Gas terminal to be fed into the national grid. The remaining NGLs are piped to Mossmorran.

Planned distribution to Europe and U.S.

The markets

MAURICE SAMUELSON

FIVE MAIN products are generated by the complicated series of pipelines and "cracking" plants through which gas finds its way from the Brent area of the North Sea to the new facilities at Mossmorran.

More than 80 per cent of the volume of gas liquids is removed at St Fergus where the liquids are brought ashore before being piped south to Mossmorran.

This consists mainly of methane, or natural gas which, after being purified and dried, goes "across the fence" to the nearby British Gas Corporation plant, which feeds it into the national gas distribution network, providing about 12 per cent of the country's demand for natural gas.

The remaining 20 per cent of the liquids travel down the pipeline to Mossmorran to be separated into four other products: ethane (700,000 tonnes), propane (750,000 tonnes), butane (300,000 tonnes) as well as 250,000 tonnes of natural gasoline.

The ethane is currently sent by pipeline as a gas to British Petroleum Chemicals at Grangemouth and in future will also go by pipeline to the Esso Chemicals plant being built alongside and due to open next year.

There it will be "cracked" into ethylene, a basic distribu-block in manufacture of a wide range of products, including plastics, detergents, paints, anti-freeze, packaging, drugs, cosmetics and solvents.

The Esso etheylene plant will also feed ethylene into a new branch of the ethylene distribution system for the north of Britain which connects Mossmorran to the British Petroleum plant at Grangemouth, Imperial Chemical Industries at Wilton, Teesside, and Shell Chemicals UK plants at Stanlow, near Liverpool, and Carrington, near Manchester.

A separate ethane pipeline will carry ethane from Mossmorran to Grangemouth, accounting for the BP gas input from the Magnus field.

Half the output of the Esso "cracker" will be Shell Chemicals' and the remainder Esso's.

The ethylene which is not piped to Shell will be shipped by ethylene carrier from Braefoot Bay.

According to Esso Chemicals, much of this is likely to be fed into a European pipeline grid which starts north-west of Antwerp and feeds plants in Holland, Belgium and West Germany.

Shell has been negotiating with large gas companies in the U.S. on contracts for supplies of butane and propane from Mossmorran to be shipped from the larger of two jetties specially built for the purpose at Braefoot Bay.

The propane and butane, broadly known as LPG (liquid petroleum gas), are clean-burning premium fuels used in a wide range of applications for industry (such as aluminium smelting, brick or paper making): agriculture (poultry rearing and crop drying); for cooking and heating in the home.

They can also be used as an automotive fuel or for general purposes such as metalworking, roof and road mending. They are also a major feedstock in chemical manufacture and an ingredient in petrol.

However, with the prospect of an oversupply in the world market for LPG, Shell has been singularly silent about where it expects most of its butane and propane to be sold.

The extent of this potential world surplus was detailed in the September issue of Petroleum Review, which said production was expected to grow by about 15 per cent over the next four or five years, when world production would reach 127m tonnes a year.

The main consuming areas are the Far East, Europe and the U.S.

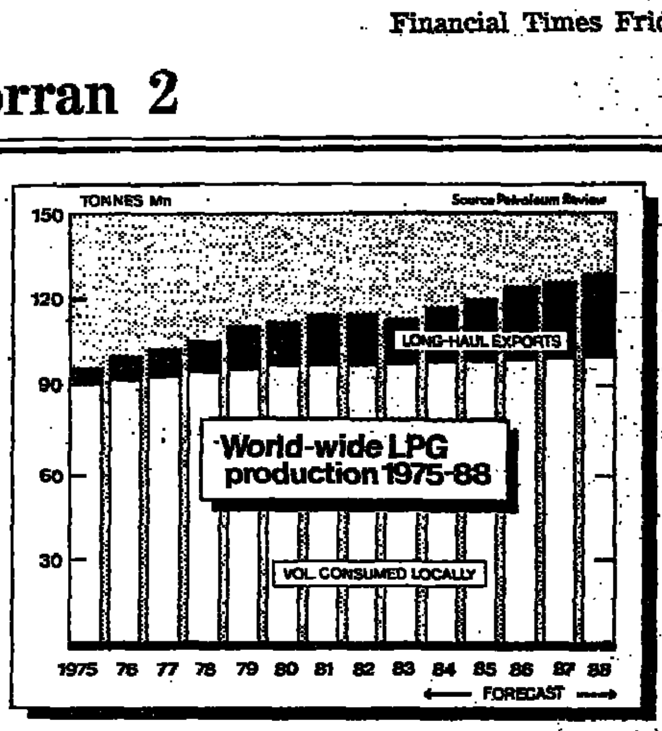
By far the biggest consumer was the Far East, in which Japan was likely to be joined by Korea and Philippines as major importers. While the bulk of the Far East's imports came from the Middle East, Australasia and Indonesia were also becoming important suppliers.

Competition for the European market (about 20m tonnes a year) is expected to increase because of the anticipated growth in supplies from Algeria, from very little at the beginning of the 1980s to about 12 per cent of European demand towards the end of the decade. This compares with some 4m tonnes, or 18 per cent, expected from the UK and Norway.

Of the 60m tonnes a year of propane consumed worldwide, some 60 per cent is used as a residential or commercial fuel. It is also used in the manfacture of ethylene and as an industrial fuel. Smaller quantities are used by gas utilities and as a substitute for gasoline in vehicles.

Competition for the European market (currently about 20m tonnes a year) is expected to increase because of the anticipated growth in supplies from Algeria.

Although the U.S. consumes more than 35m tonnes of LPG a year, it currently imports only 3m to 4m tonnes a year, predominantly from Canada, Mexico and Venezuela. But, according to Petroleum Review, the U.S. is set to become a net exporter.



Link in chain of fuel supply

Production system

MARK MEREDITH

MOSSMORRAN completes a chain of fuel production which starts northeast of the Shetland Islands with the cluster of eight oil fields.

These bring together Shell's four Brent platforms as well as its North Cormorant and South Cormorant fields, Amoco's northwest Hutton and BP's Magnus, Conoco's Murchison, Chevron's Ninian and Britoil's Thistle fields.

These fields, and Brent in particular, have a high ratio of gas coming up the well with oil. Along with the estimated 1,736m barrels of crude oil recoverable from the Brent Field are 3.3 trillion cubic feet of natural gas and 456m barrels of natural gas liquids (NGLs).

Gas separated from oil on the platforms is fed down to a central collection point at the Shell Brent B platform before entering the main pipeline to the coast.

Oil is collected on a separate pipeline network at the South Cormorant field to be piped on to the Sullom Voe oil terminal.

The gas, already under pressure crerted by its expansion on rising from the well and separated from the oil, travels the 278 miles in a 36-inch diameter pipe along the seabed to St Fergus north of Aberdeen.

There, at the St Fergus gas terminal, methane and some ethane are separated from the incoming gas and transferred over the fence to the British Gas terminal for injection into the national grid. Gas from the FLAGS system accounts for about 11 per cent of the current 39.4bn cubic metres required by British Gas for the UK.

The gas terminal already takes in gas — about one third of the UK's requirements — via another pipeline from the Frigg gasfield on the dividing line between the UK and Norwegian sectors. A further pipeline will bring gas in from the Fulmar and Clyde fields to the southeast in 1986.

The remaining natural gas liquids (NGLs) are then fed into a pipeline to Mossmorran. While Mossmorran has been under construction to allow gas to be supplied to St Fergus, a special pipeline has fed the NGLs to Peterhead power station which was specially adapted to burn gases as well as oil.

Another pipeline fed natural gasoline separated out from the NGLs into the BP oil pipeline at nearby Cruden Bay which travels on southwest to Grangemouth oil refinery further up the River Forth from Mossmorran's Braefoot Bay ship terminal.

The pipelines to the power station and to Cruden Bay are to be maintained to provide flexibility should Mossmorran be unable to take gas for any extended period.

The St Fergus to Mossmorran pipeline is the first in Britain to carry heavier-than air gases. Because NGLs do not dissipate like natural gas, they require special monitoring.

At Mossmorran the gases enter a surge drum which evens out the flow of gases before they enter the fractionation or separation systems.

The Mossmorran fractionation plant plans to build up production to receive 7,800 tonnes per day. Annual production levels are estimated to be around 800,000 tonnes of ethane, 750,000 tonnes of propane, 300,000 tonnes of butane and 250,000 tonnes of natural gasoline.

Gas carrying ships then load at the Braefoot Bay terminal four miles away on the northern shore of the Firth of Forth just over four miles diagonally opposite from Edinburgh. The liquid gas is pumped through insulated pipelines to the jetty.

Esso Chemicals share the terminal but load ethylene carrying ships from a separate spur jetty.

A milestone in industrial relations

Construction

MARK MEREDITH

THE CONSTRUCTION of Mossmorran has been more than just a milestone in North Sea oil and gas development. The completion on time and to budget of the £353m gas fractionation plant has also been a remarkable performance in terms of industrial relations.

It has confirmed the peace that has arrived in the field of mechanical engineering construction, traditionally an industry with one of the worst industrial relations records. Projects such as power stations or steelworks construction could reckon on losing about 5 per cent of total manhours in disputes.

The record was becoming so bad in the 1970s that a National Economic Development Office report warned that foreign investors were looking elsewhere rather than build plants in the UK and accept the inevitable delays and cost overruns.

At the heart of the problem in big construction sites like this were a large number of contractors and trade unions. Numerous individual works agreements led to constant difficulties with wage and conditions once differentials were discovered.

Mossmorran, including the gas separation plant and the Esso Chemicals ethylene plant next door, has been the largest construction site in the country with around 7,000 workers.

The Shell site alone had 10 contractors working under Ralph M. Parsons, the managing contractor for the project. The potential for trouble, especially in the closing stages of the project as pressure builds up to complete on time, was huge. But Shell's industrial relations management report that only 1.28 per cent of manhours have been lost in disputes.

It can be explained by the successful conclusion of an agreement in 1981 which brought all contractors and unions into one national structure, the national joint council for the engineering construction industry, with equal representation and a final say on wages, conditions and disputes.

On the one hand are the contractors, represented by their various trade organisations such as the national engineering construction employers' association. On the other has been the trade unions represented collectively.

"The agreement alone could not achieve success," notes Mr Paul Hauff, industrial relations advisor for Shell Exploration and Production. "But what this has done is provide a framework within which people with commitment can work successfully."

The national joint agreement marked a radical reform for management as well as for the trade unions. Contractors were bound by wage agreements and not allowed the traditional bonuses or second tier payments which led to many of the past disputes.

Trade unions, too, undertook to keep disputes within the set procedures. The appeal mechanism for disputes up to the national joint council level is final and there is no provision for outside arbitration. Local strikes are automatically ruled unofficial and regional union officials undertake to bring the grievance back through the established disputes structure.

At Mossmorran there has been a joint works council, again with 50-50 union management participation. As in other large engineering works the structure takes away much of the power of local shop stewards to take individual initiatives to press local grievances as they are outvoted by full time regional union officials represented at the works agreement level. Both unions, including shop stewards and management say it has worked.

Capacity that waits for world upturn

Demand

CARLA RAPOPORT

ONE OF the world's most efficient ethylene plants, or the largest white elephant ever to be built by a chemical company in Europe? Essochem's £400m Fife Ethylene Plant at Mossmorran has been called both from the day the project was approved three years ago.

Now due to come on-stream next August, with a planned annual output of 500,000 tonnes of ethylene a year, the Fife plant's early years of operation are bound to cause more controversy.

"We need a new (ethylene) cracker in Europe like we need a hole in the head," says Mr Mark Quilliam, a leading chemical analyst with James Capel, the London stockbrokers. As Mr Quilliam and others in the industry point out, overcapacity still remains a serious problem for the chemical industry worldwide, but particularly in Europe.

At least 5.7m tonnes of name plate capacity has come on-stream or is about to come on-stream between 1983 and 1985. Worldwide production in 1983 was about 38m tonnes, while effective capacity was reckoned to be about 46m tonnes.

Some of that older capacity has since shut down, especially in Europe, America and Japan. But in Europe, the current picture remains difficult with capacity still overhanging demand by between 10 and 15 per cent.

So why build another ethylene plant, especially when it will have to compete with new producers who have negligible feedstock costs, such as Saudi Arabia?

The Mossmorran site was identified by Esschem in the mid-1970s, when the world of petrochemicals looked a lot different to what it does today. Even so, the final decision to build was not reached until mid-1981, aided by some substantial concessions granted by the UK government.

The plant was called at the time "the most important single project under way in Britain, providing thousands of jobs in the processplant industry." Its future was guaranteed in July, 1981, after the government granted a sizable cut in rates and a substantial reduction in taxation on all gas liquids for the plant originating from Shell-Esso's Brent Field.

BP obtained a similar concession for its petrochemical facility in Grangemouth.

The issue caused an immediate ruckus that summer because Imperial Chemical Industries promptly served a High Court writ on the Government, claiming that tax concessions gave an unfair advantages to its rivals. The hearing opened on Wednesday and is expected to last four weeks.

In the meantime, the world petrochemical industry went into its worst slump in 30 years. At the height of the recession, Europe's plastics industry was reckoned to be losing about $200m a month. At the same time, the development of the Saudi Arabian petrochemical industry was coming on apace. Suddenly, something that had been vaguely anticipated as a possibility became a pressing reality.

Flared

The Saudi Arabian plants are of particular importance when considering the world petrochemical scene. The country's natural gas had been previously flared as a waste material.

As a result, the country, which imports goods totalling more than $20bn a year from the West, sees its new petrochemical plants as a legitimate means to help correct its balance of trade. Its exports of petrochemicals alone are expected to account for about 5 to 7 per cent of the world's demand by 1990.

Essochem, a division of Exxon Chemicals, however, says that the timing of its new plant's start-up date is not troublesome. It says that its costs of construction were lower than those of the Middle East and that the Fife plant is better situated to serve Western European markets.

Although Essochem has built and will run the Fife plant, half of the £400m costs and half of the plant's output will be absorbed by Shell Chemicals UK. Shell says that its 250,000 tonnes will go to its Stanlow, Cheshire, plant where most will be used to make intermediates for detergents.

Essochem is a bit more vague on its plans for the product. "We're not going to speculate at the moment" on the future marketing plans, an Essochem executive said. The group currently has 1.2m tonnes of ethylene capacity in Europe, plus a 500,000 tonnes a year low-density polyethylene plant.

Essochem does not provide figures on its European chemical operations, but its non-U.S. chemical business in 1983 provided a return on capital employed of 8 per cent, up from 4.6 per cent in 1982.

NEW ETHYLENE CAPACITY WORLDWIDE

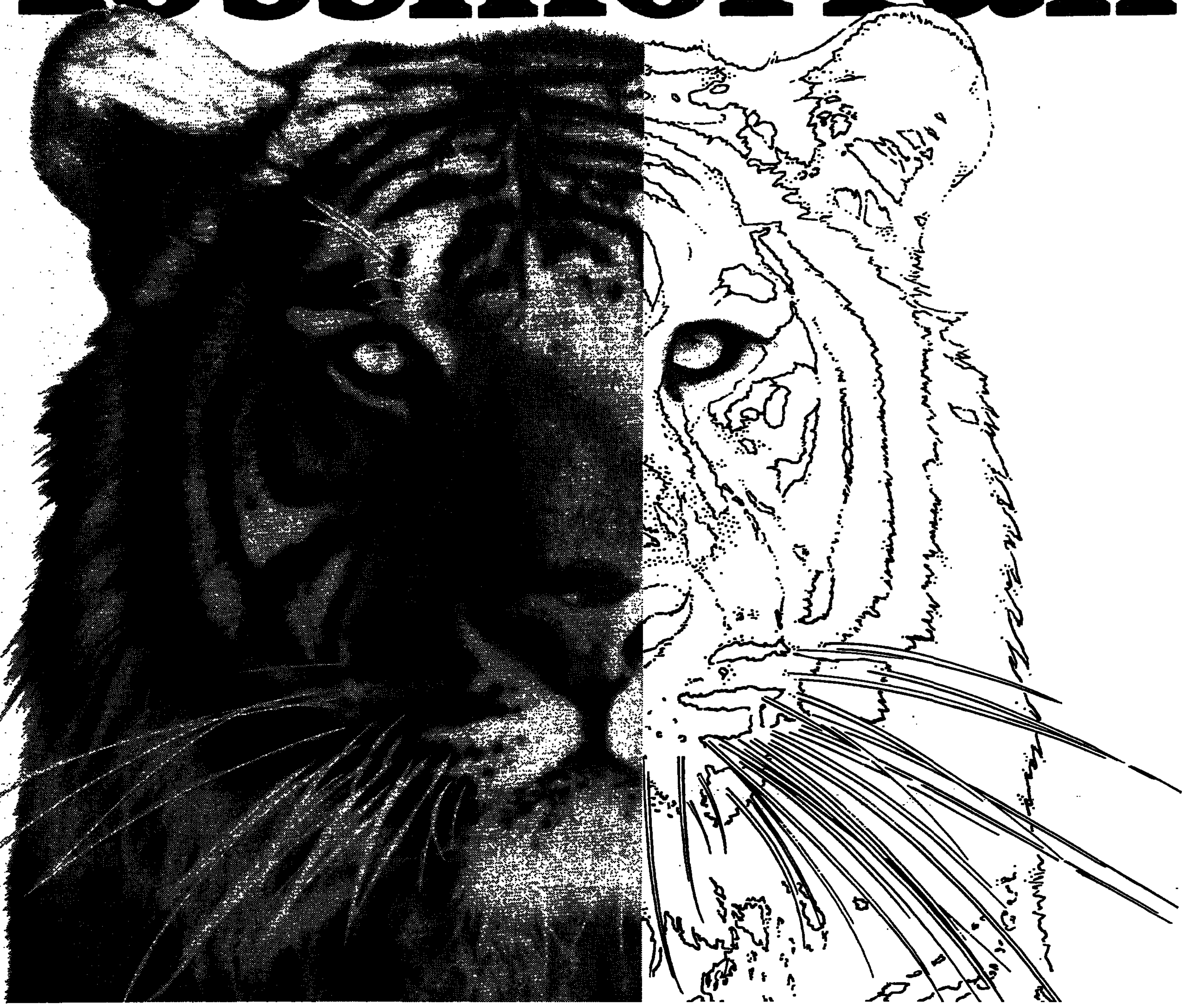
Location	Start-up date	Capacity '000 tonnes/year
Canada:		
AGE-2	1984	680
Mexico:		
La Cangrejera	late '83	500
Argentina:		
Bahia Blanc	1983	239
Saudi Arabia:		
Sadaf (Shell JV)	1985	650
Yanpet (Mobil JV)	early '85	450
Petrochemya	1986	500
Libya:		
Raslanuf	1985	330
Turkey:		
Petkin	1985	330
Australia:		
(ICI)	late '83	250
Taiwan	1984	385
Singapore	1984	300
Soviet Union:		
Sumgait	1985	300
Novokuybyshev	1985	300
Scotland:		
Mossmorran	1985	500
Total:		5.7m

Source: Essochem

The Fife plant currently occupies 88 hectares out of a total 263 hectares at the Mossmorran site. The balance, Essochem's brochure notes, has been set aside "specifically" for future downstream plastics plants which use etheylene as a feedstock.

"However, there would need to be a significant upturn in the economic climate and in demand for chemicals before new downstream capacity became a viable proposition," the brochure concludes.

Mossmorran



How Esso intend completing the picture

The new Esso-Shell gas liquids fractionation plant at Mossmorran in Fife is open for business. It took over £500 million and 5 years of ingenuity and skill to build.

Mossmorran is only one part of a £1,700 million development programme which started 13 years ago with the discovery of the Brent oil and gas field.

Natural gas and its associated liquids are carried 278 miles by undersea pipeline from Brent and other fields in the North Sea to St. Fergus in Scotland.

There the natural gas is separated from the liquids, piped into the national gas grid, and is now supplying 10% of Britain's gas for industry and the home.

The natural gas liquids then travel a further 138 miles by underground pipeline to Mossmorran. Here they are separated into their commercial components: propane, butane, natural gasoline and ethane.

Esso are now completing the picture by building a £400 million ethane cracker, linked to the Mossmorran complex. This cracker will be the most technologically advanced in Europe, and will produce ethylene, the basic raw material for plastics.

This investment in all our futures is just one demonstration of Esso's continuing confidence and commitment to Britain.

But the work doesn't finish here. Esso are currently spending at the rate of £2,000 per minute, over 85% of it going to British firms.

Between now and 1990 we expect to invest another £4,500,000,000 to meet Britain's energy needs—a massive commitment which offers opportunities for the development of new technologies, the building of new industries, and the creation of new jobs.

Esso look forward with confidence to providing supplies of oil and gas for Britain well into the 21st century.

Esso

Computers run the systems

Technology
MARK MEREDITH

THE Sorcerers Apprentice, personified by the cartoon film of Mickey Mouse *rapidly losing* control of marching phalanxes of water bucket-carrying broomsticks, would have appreciated the achievements of the FLAGS system.

Here the activities of 12 offshore production platforms in eight fields, involving 35 participating companies and their individual interests, a gas extraction plant at St Fergus north of Aberdeen, the Mossmorran gas separation plant in Fife and the 416 miles of pipe*line connecting them* all, *must* be coordinated.

It is a system having to cope with a huge number *of running* variables. Computer systems run within computer systems and yet the most fundamental decisions are made manually. Computers highlight problems but operational decisions are made by humans.

The Mossmorran gas separation plant has its computerised process control and instrumentation running production at the optimum level. But Mossmorran's activities in turn depend on the quantity and quality of gas liquids from St Fergus, 138 miles further North. Here another computerised system handles the extraction and metering of methane and some ethane from gas liquids coming ashore from the production *platforms.*

Off shore, further computers monitor and assist the control of the flow of oil and the *initial* separation of gas. Oil heads west by pipeline to the Sullom *Voe terminal in Shetlands and* the gas moves south west along the FLAGS pipeline to St Fergus.

Then, at Shell Expro's operations co-ordination centre in *Aberdeen, the system comes to*gether. Up to 150 separate bits of information from Shell Expro's fellow 33 participants in the western leg and northern leg gas gathering systems and 2,000 types of information from Shell's own platforms are monitored.

Achievement

A significant achievement of this system has been winning *the agreement of* many rival organisations to join in one computer system to monitor and calculate revenues for their gas production.

The two onshore operations at St Fergus and Mossmorran are also instantly accessible in Aberdeen to obtain a complete picture of a production system from extraction *through* process ing to storage.

Up to 450 various displays are available to the two or three-man crew running the centre on a 24-hour basis. They monitor a Ferranti Argus-based system with two banks of five display screens each, one bank for Shell's own platforms, the other for the entire FLAGS system.

It is tempting to think that with their power and control ability, computers would be best suited to make most of the *executive decisions on the* operations of this vast production and transportation and *monitoring system.*

But no. "There are no computer decisions," says Richard Waldron, *senior operations co*ordination supervisor of his Aberdeen centre. He and his *small team will make about* 30 decisions a day responding to irregularities shown up by the computer.

The computers alert the centre to operations moving outside pre-set limits in each part of the system.

If, say the quality of gas arriving from the central Brent collection point was above or below specification, alarms would alert the controllers who might instruct one of the offshore platforms to adjust its output to correct the problems by feeding in gas with a compensating quality.

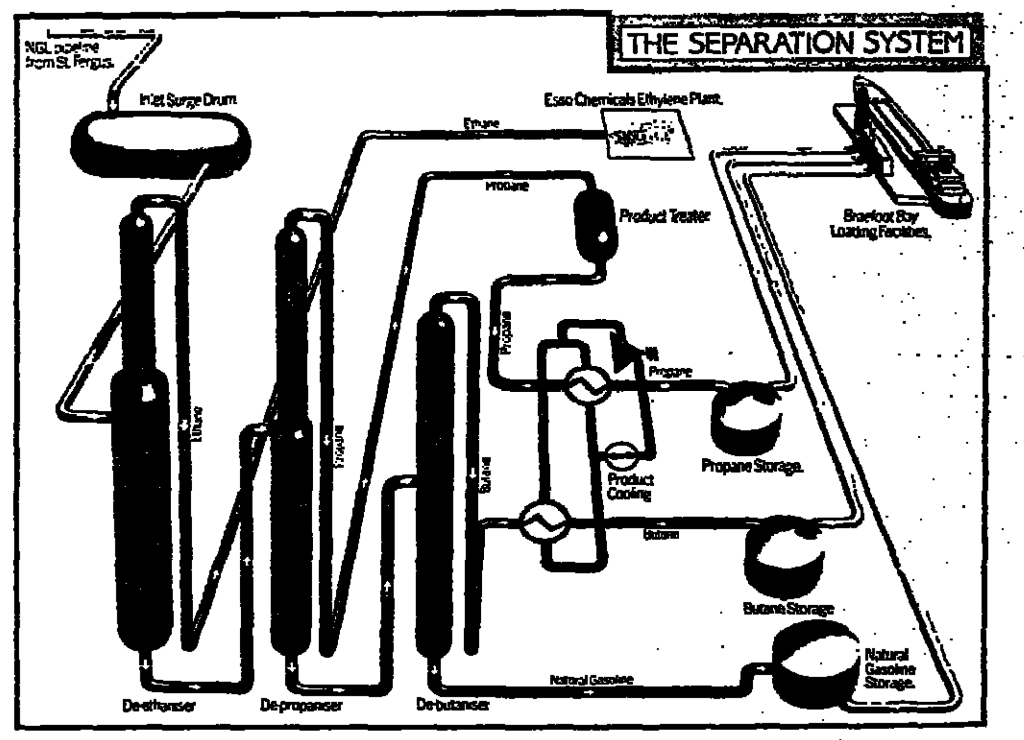
In one corner of the room is a computerised model of the entire system on which specific long-term problems can be *analysed. It has 85 pre-con*ceived scenarios in its programme. This allows specific problems to be fed in to isolate—but not solve—individual difficulties. The system might show that the capacity for one part of the system to compensate for a problem somewhere else is limited.

This system — a software model developed by Exxon Production Research *for* FLAGS —is linked into Shell Expro's main data centre in the north of England.

From Aberdeen the FLAGS system offshore can be shut *down in around three minutes.*

The emergency shutdown procedure at Mossmorran, again a *man-made decision, can take* effect within three to five minutes. But the plant has a *built-in time cushion to react to* emergencies within the FLAGS system.

Because the gas liquids take from two and a half to three and a half days to travel from St Fergus and the 138 miles south to Mossmorran, and because of the ability of the Fife plant to store about 25 days capacity, there is time to think. if any problems occur here.



Fail-safe measures to remove risks

Safety
MARK MEREDITH

THE PROSPECT of thousands *of tonnes of highly* inflammable gas being processed, stored and shipped nearby understandably made some of Mossmorran's neighbours nervous.

Shell Expro has responded to fears of a fire or explosion of devastating proportions with a safety programme to satisfy not only government regulations but *also to attempt to satisfy* protest groups.

This has been a highly public *construction project in Scotland* with regular open days for visits by the families of workers and the community to explain not only how the plant works but also the extensive safety measures and efforts to counter some of the environmental worries of setting up a big processing plant in a rural setting.

A *fail-safe approach to gas* handling and the construction of the process plant and the speed and extent of a response to fire is at the heart of the public assurances.

Although aspects of the instrumentation and control mechanisms and the incoming pipeline are new, the equipment *for separating gases is not. The* techniques for distilling and carrying gases is well-established and Mossmorran does not break new and possibly hazardous ground.

"Safety has been built in," says Mr Malcolm William, the plant manager at Shell's Expro's plant. In ultimate control, he can shut down the entire gas processing operation in three to five minutes with a phased shut down of the valves.

This emergency shutdown system, a fundamental response *to emergencies in the oil industry,* sends the gas immediately up the flare stack to be burned off until a serious malfunction can be corrected.

The plant has its own small lake—a water reservoir for fire fighting pumps. Along with fire hydrants and flame monitors is a water deluge system which unleashes a torrent of water down on the miles of metal pipework to prevent it buckling and cracking open.

Foam and dry powder extinguishers are also built in.

Emergencies

Mossmorran has time to react to emergencies further up the FLAGS system. Because gas takes from three and a half to four days to travel from St *Fergus, north of Aberdeen, to* the Fife plant, preventive measures can be taken.

The pipeline itself has numerous safety features as it is the first in Britain to carry natural gas liquids. Because they are heavier than air and do not dissipate as easily as natural gas, they need special *treatment.*

The pipeline has block valves placed every seven and a half miles along the 138 miles from St Fergus to Mossmorran.

The Braefoot Bay terminal brought with it a separate set of problems. Gas carrying ships would now join the busy shipping lane in the river which already carries tankers loading at BP Hound Point terminal southwest of Braefoot on the southern shore of the river as well as the petrochemical and gas carriers making their way *further up river to* the BP refinery at Grangemouth.

The Royal Navy base at Rosyth, *a few miles to the west* of Braefoot, adds to the traffic.

Could there be a collision? What if a ship has a major gas leak? With a touch of Hollywood's imagination, could there be a fire hot enough to melt *the Forth rail bridge?*

The reply here brought into play both the actuaries and common sense safety measures. Shell Expro, Essochem and the Forth Ports Authority, formed a consortium which commissioned an independent study of the shipping hazards from Braefoot Bay.

Its report, in turn reviewed by the major hazards assessment unit of the Government's Health *and Safety Executive,* said that the risk to nearby communities from an accident was small in relation to the other risks of daily living.

Taking safety measures into account, the assessment unit concluded that the *townships* in the closest proximity to Braefoot Bay were not likely to be *affected by a fire or explosion* resulting from a marine accident more than about once in one million years.

Risks to people living on the south shore of the Firth of Forth towards Edinburgh were even lower at one in 10 million years.

The Braefoot Bay terminal will see on average two tankers a week carrying liquefied propane, and butane. Natural gasoline will also be shipped. Esso Chemicals will operate a separate arm of the jetty for ethylene carriers.

The safety precautions included traffic regulations imposed by the Forth Ports Authority. Gas carriers, carrying pilots, will have to complete a checklist (a European Com*munity requirement) to ensure* equipment is in operating condition.

Clearing the channel

The traffic management scheme will clear the entire main channel free from the Forth Bridges out to the North Sea entrance of the Firth for a laden gas carrier moving out of Braefoot Bay into the main channel.

The terminal is in a sheltered part of the Firth in narrows formed by Incolm Island. Dalgety Bay and Aberdour about a mile on either side are the closest communities and Edinburgh is 4.3 miles away on the far side of the Firth.

At the terminal, a water curtain can be formed between the *jetty and docking ships in case* of fire. The valves on the loading arms carrying the gas have quick release couplings to allow fast disengagement.

The independent safety study looked at worldwide historical data to show that between 1964 and 1981 there were 11 potentially serious fires and explosions recorded for the fleet of liquid petroleum gas carriers.

Record for NGL system

Pipelines
MARK MEREDITH

PIPELINES criss-cross Bri*tain like veins under the* country's skin. British Gas has about 10,000 miles of high-pressure pipeline in its national grid while the oil and chemical companies operate a further 4,500 miles of pipeline.

The 278-mile FLAGS pipeline from the group of eight offshore fields north-east of Shetland to St Fergus, north of Aberdeen, is already the longest underwater pipeline in the UK sector of the North Sea. So what is so special about the 138-mile onshore pipeline between St Fergus and Mossmorran?

This pipeline is the first in the UK to carry natural gas liquids—NGLs—and with them comes the need for special handling.

Natural gas liquids, ethane, propane, butane and natural gasoline, are all heavier than air. Methane, which is taken off at St Fergus to be fed into the British Gas Corporation's national grid, is lighter than air. Unless trapped, methane rises and dissipates.

More hazardous

The remaining NGLs on their way to Mossmorran need care and monitoring. These gases are more hazardous to transport than methane because in the case of a leak they tend to accumulate at ground level unless blown away by wind and so they carry a greater risk of fire or explosion.

Piping these fuels is still safer than transporting the gas *by road or rail,* argues Shell Expro. The 20-inch diameter pipe will have a capacity of 15,000 tonnes of gas liquid per day—the equivalent of 500 tankers carrying 30 tonnes each. Initially it will carry about 5,000 tonnes a day.

Shell Expro's special treatment involves elaborate monitoring schemes which can spot and isolate a leak in three different ways along the trail of the 20-inch diameter pipe as *it follows* the line of the *Scottish coast southward.*

The pipeline has been buried four feet underground *instead of the normal three* feet for this size of pipeline. Shell make much of the strict specifications for the line and report that under test when it is subjected to twice its normal pressure only one leak along a pipe seam about one and a half inches long was detected. Pipe-laying on this scale *would* normally reckon on three or four small leaks under test.

It has 21 block valves located at seven and one half mile intervals which can be operated by hand or be remote radio control. These valves, boxed in behind their security fences, are all that is visible of the pipeline.

The computer-based scrutiny of the pipeline involves a "mass balance" system checking that inflows match outflows and a second acoustic pressure wave system which pinpoints a leak by comparing the time *which the* pressure wave takes to reach monitoring stations on either side of the fault.

A third system monitors any change of pressure and can also detect the location of leaks. The pipeline is surveyed regularly by aircraft and the entire length walked by patrols.

Hope lies in downstream sector

Fife
MARK MEREDITH

MOSSMORRAN HAS grown like a space station out of a peat bog and helped change the *face of Fife* at a time when *this* small Scottish region is trying to shake itself out of a dependence on traditional industries.

The Shell Expro gas fractionating and Esso Chemicals *ethylene plants join expanding* off-shore oil and electronics industries which have done much to counterbalance the decline of local coalmining. Yet in immediate terms the two Mossmorran plants, when running, will *make little immediate* impact on the unemployed of Fife.

About 19,500 of the 119,000 workforce in Fife do not have a job. At 14 per cent this is roughly the UK and Scottish average although there are black-spots where unemployment is more than 20 per cent.

The actual numbers needed to run the two Mossmorran operations will be between 400 and 600. The nightshift staff at the Shell site will number 18. This is hardly the thousands of jobs needed to make a sizable *dent in the region's unemploy*ment figures.

Yet the two plants were never intended as big job spinners in themselves once they were operational. The great hope was for the downstream industries which would attach themselves to Mossmorran. This proliferation has just not happened.

The companies *taking ethy*lene to produce the vast array of plastics, polythene, washing up liquids, antifreeze, paints and car components have not beaten a path to Mossmorran's door. Viewed another way, it was perhaps too much to expect that they would. The plants have been built during a recession when *ethylene plants* are also under construction in other parts of the world.

*More to the point, the indus*trial base is now there for the industries that could come with further recovery in the international economy. A large area around the Mossmorran site has been earmarked by the regional authorities as land for the downstream industries.

The construction of the two *plants—the Esso Chemicals* plant opens next year—created the largest worksite in Britain. Up to 7,000 men and women were employed in the construction at one point.

Concede

Of these workers, 91 per cent, *according to Shell* had a Scottish base. Arguably the work since 1980 has seen the construction industry, and in turn local employment, through a bad patch.

The planners, however, concede that the end of construction has brought with it inevitable job problems in areas like Cowdenbeath which is the closest large centre of population to Mossmorran.

"I'm not disappointed," says Mr Bryan Wallace, deputy head of Fife region's industrial *planning department about the* downstream prospects. "These things take time. The fact that the separation plant has been produced on time and to budget is a good advertisement for Fife."

In his view the spin-off could be modest at first. Small service companies such as cleaners, painters and caterers have already started to move in.

The start-up of a big industrial venture like Mossmorran will also help alert local companies to new opportunities, *says Mr Wallace.* TK Valves, another North Sea-related industry located at Dunferm*line and the highly successful* RGC offshore construction yard at Methil help pull together a picture of the prospects for oil-related work.

The small service companies which could attach themselves to Mossmorran will be similar to the growth of a service *industry sub-stratum that has* grown up around the electronics industry in Scotland.

Fife has done particularly well in providing a home for these new industries and, with 6 per cent of the Scottish population, claims 25 per cent of the jobs in electronics.

These 8,900 jobs now outnumber the 6,000 miners in Fife whose ranks have shrunk from 23,000 in 1952. General Instru*ment, GEC, Marconi, Fortronic* and Rodime are some of the electronics companies which have a base in Fife.

Fife, like other parts of Scotland is highly dependent on inward investment for large-scale industrial growth. Like other regions, too, Fife is awaiting anxiously the Government's review of regional aid policy, an exercise which will redraw the map of areas receiving development assistance.

Fife planners are worried that the success of the electronics and offshore industries *could see areas of regional* assistance downgraded and made less attractive to foreign investment.

In August, PA Management consultants employment creation division PACE, published *its proposals for industrial* regeneration and employment creation for Fife.

The report noted that no major single job losses comparable to the closure of the Invergordon smelter in the Highlands or the Singer factory in Clydebank had focused attention on Fife's job problems.

Its suggestions included a policy for the region of backing winners. This refers partly to adjusting the outlook of regional authority away from propping up lame industries to looking for new ones.

PA's recommendations included a Fife forum to concentrate individual business development efforts, more prac*tical help for small and grow*ing businesses and joint ventures to attract inward investment.

PA proposed one-door advice centres pooling all the resources of development authorities, financial assistance and financial brokerage, managed workshops to assist start-ups, graduate *secondment, and* technology transfer.

"Building advance factories and industrial estates in an effort to attract incoming companies is no longer enough," it said. "Grants, loans and rent-free periods are of little use if there is no demand for a company's products and services.

"Instead there *should* be more emphasis on practical support for companies already in the region, in the form of advice and help with marketing, technology, new product development, finance and other *important areas of operation."*

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
16	17	18	19	20	21	22

Exhibitions

PARIS

Le Douanier Rousseau: Extraordinary tropical vegetation with exotic flowers, gently poetic images of Paris and its surroundings, dignified portraits of himself and his friends fill Douanier Rousseau's canvases. Self-taught, appreciated by Apollinaire yet cruelly mocked by others, he found an escape from the daily humdrum existence in the dream world of his paintings. Grand Palais, 10am-8pm, Wed till 10pm, closed Tue. Ends Jan 7. (260.39.26).

The influence of French and Italian schools and fidelity to their national inspiration, the fascination with reality and romantic idealism, produced two contradictory tendencies in German painting in the second half of the 19th century. On the one hand, Arnold Böcklin, the symbolist, continues to mediate and dream of poetry and mytology. On the other hand the violence of colours of the New Realists announces 20th-Century Expressionism. Petit Palais, closed Mon. Ends Jan 13 (265.12.73).

NEW YORK

Metropolitan Museum of Art: Te Maori begins its U.S. tour showing the native treasures of New Zealand, with a rich Polynesian heritage of stone and ivory ornaments, bone and stone weapons and wood carving. Ends Jan 6.

Museum of Modern Art: Primitivism in 20th Century Art has much good modern work by Picasso, Max Ernst, Brancusi among many others as well as striking tribal objects from Asia, Africa and North America, but the theme itself seems meant to fill space more than provide a better understanding of the primitives or the moderns. Ends Jan 15

WASHINGTON

National Gallery: Old Master Drawing from the Albertina, celebrating two centuries of Austro-American relations, includes Dürer's Praying Hands among the 75 works by Fragonard, Rembrandt, Pieter Bruegel the Elder, Lucas Cranach the Younger, and others. Ends Jan 13.

Hirshhorn: The entire third floor of the gallery will be filled with 157 works of painting, sculpture, constructions and installations done in the past decade by 147 artists in celebration of the museum's 10th anniversary. Ends Jan 6.

TOKYO

Ukiyo-e Prints and Paintings of the Floating World. In one of the largest exhibitions ever mounted of this genre, 700 items depict the manners and customs of the common people in the Edo period (17th – 19th century Tokyo). The development of Ukiyo-e is traced from people subjects to landscapes of Hokusai und Hiroshige of the late 18th century. The 19th century, incorporating both, extended its subjects to historical and literary incidents. Tokyo National Museum, Uneo Park. Ends Nov 25.

LONDON

Contemporary Japanese Art, the annual exhibition known as the Nitten (the largest in Japan) of contemporary art over the last two decades, includes works by Japan's new generation of artists. Tokyo Metropolitan Art Museum, Ueno Park (close to the National Museum). A visit provides both an interesting art experience and the opportunity to sample a Tokyo autumn in one of the city's largest parks. Enjoy lunch in the open between exhibitions, view the autumn leaves and observe Tokyo families at play. Ends Dec 16.

ITALY

Venice: Palazzo Ducale: The Treasures of the Pharaohs – a rich and fascinating exhibition of more than 60 works (lent by the Cairo Museum) – covering over 3000 years, and containing an enormous variety of objects from mundane things such as combs and cooking pots to the contents of Tutankhamun's tomb. Until End of December.

Venice: Museo d'Arte Moderna di ca'Pesaro Egon Schiele: 1890–1918. Almost all works of this extraordinary painter. This exhibition was at the Campidoglio in Rome earlier this summer. Ends Nov 25. Open from 10.00am to 7.00pm (closed Monday).

WEST GERMANY

Hanover, Forum des Landesmuseums, 8 Am Markte: A big retrospective, comprising 185 paintings, watercolours and drawings, highlights the oeuvre of Ludwig Richter (1803 to 1884), the German landscape and genre painter. Ends Nov 24.

Goslar, Mönchehaus, Mönchehausstrasse: Bronze sculptures by Willem de Koonig, the abstract expressionist U.S. artist, who won this year's Goslar cultural prize. Ends Dec 8

NETHERLANDS

Amsterdam, Rijksmuseum. In this anniversary year of the death of William the Silent (1584) yet another exhibition devoted to the birth of the Dutch republic. Paintings, prints, drawings and manuscripts illustrate the ideals of religious toleration and political freedom that precipitated the 80 years' struggle with Spain. Ends Dec 9.

Amsterdam Historical Museum. Dutch sculptors at work in their studios sensitively photographed by Louise van der Veen. Ends Dec 2.

VIENNA

Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

Opera and Ballet

LONDON

Royal Opera, Covent Garden: Thomas Allen, arguably the leading Don Giovanni of the day, gives his first Covent Garden account of Mozart's most demanding baritone role. Also in the cast are Makvala Kasrashvili, Barbara Daniels, John Tomlinsch, and Stuart Burrows; Arnold Ostman, admired conductor of the Stockholm Drottningholm Opera, makes his Royal Opera debut. Last performances of the Boris Godunov revival, with Nicolai Ghiuselov in the title role and James Lockhart as conductor.

Sadler's Wells, Rosebery Avenue: London Contemporary Dance Theatre starts a season with lively dancers and dancing. (278 8916).

English National Opera, Coliseum: Dvórak's Rusalka; a David Pountney production first shown last season, is one of ENO's biggest successes of recent seasons, a wilful, beautiful, disturbing digging-out of the Freudian subtext from the woodland fantasy. Further performances of Patience, the ENO's finest Gilbert and Sullivan, of Arabella, with Josephine Barstow, and of the new, harshly revealing Madam Butterfly. (836 3161).

PARIS

Der Rosenkavalier alternates with Spectacle de Ballets and Die Entführung aus dem Serail. The Lighthearted Türkerei is conducted by Hans Graf in a Giorgio Strehler production in Luciano Damiani's decor and costumes. Pacha Selim's role is interpreted by Michael Heltan/Georg Schluchter. Constance is sung by Gianna Rolandi and Belmonte by Barry McCauley. Paris Opéra. (742.57.50).

Le Petit Ramoneur, Benjamin Britten's Let's Make An Opera – an entertainment for young people conducted by John Burdekin and produced by Giancarlo Ciarapica at the Opéra Comique (278.19.54).

NEW YORK

Metropolitan Opera (Opera House): The week includes Il Barbiere di Siviglia conducted by Silvio Varviso with mezzo Julia Hamari and baritone Leo Nucci, Manon Lescaut conducted by Nello Santi, La Bohème in the local conducting premiere of Placido Domingo, as well as Jean-Pierre Ponnelle's new production of La Clemenza di Tito conducted by James Levine. Lincoln Center (362 6000).

New York City Opera (New York State Theater): The season ends this week with performances of Stephen Sondheim's Sweeney Todd conducted by Paul Gemignani with mezzo-soprano Joyce Castle alternating with Rosalind Elias in Hal Prince's production. Lincoln Center (870 5570).

WASHINGTON

Washington Opera (Opera House): The season continues with Jean-Pierre Ponnelle's new production of Le Nozze de Figaro conducted by Daniel Barenboim, Gian Carlo Menotti's 1982 production of La Bohème conducted by John Mauceri with Sheri Greenawald as Mimi and Jerry Hadley as Rodolfo along with a new production of The Merry Widow with Mary Jane Johnson in the title role and the D'Oyly Carte's Donald Adams as Baron Zeta, conducted by Carl Stewart Kellogg. Kennedy Center (254 3770).

CHICAGO

Lyric Opera (Civic Opera): Eva Marton starts in a new production of Richard Strauss's Die Frau ohne Schatten while Carmen stars Alicia Nafe with Maurizio Frusoni as Don Jose. (332 2244).

VIENNA

Staatsoper. Tristan and Isolde conducted by Leinsdorf with Ligendza, Fassbänder, Kollo, Sotin, Becht, Moser; The Bartered Bride conducted by Fischer, The Marriage of Figaro conducted by Hager with Janowitz, Popp. (5324/2655).

Volksoper. La Bohème conducted by Marzendorfer; Aus Einem Totenhaus. (5324/2657).

NETHERLANDS

Utrecht, Stadsschouwburg. The National Ballet in a programme of works by a new generation of choreographers (Wed). (310241). Repeated Thur in Scheveningen, Circus Theatre. (558 500).

The Netherlands Opera with Verdi's Sicilian Vespers, cast headed by Cristina Deutekom and Adriaan van Limpt. The Amsterdam Philharmonic and the Opera Choir under Christian Badea, with dancers from the National Ballet: Mon and Wed in Amsterdam, Stadsschouwburg (242 311).

TOKYO

Takarazuka All-Girl Revue (Takarazuka Theatre). An original operetta: My Love For Beyond the Mountains. This troupe, a speciality of Japan, is the counterpart of Kabuki where the girls play the men's roles. Spectacular and technically good, simple plots, good English synopsis in programme. The theatre is near the Imperial and Palace hotels. (591 1711).

ITALY

Turin: Teatro Regio: Autumn season opens with Verdi's I due Foscari staged by Bussotti and Zancanaro and conducted by Maurizio Arena, with Renato Bruson (Thur). (54.80.00).

Trieste: Teatro Communale: Madame Butterfly directed by Mauro Bolognini with scenery and costumes by Carlo Savi. Baldo Podic conducts a cast which includes Marion Vernette, Moore, Alura Zanini, Beniamino Prior and Ubaldo Carosi. (Tue). (63 1948).

Rome: Teatro Olimpico: Piazza Gentile da Fabriano: The Salzburg Puppet & Theatre, with Marriage of Figaro. The puppet theatre was formed in 1913, and apart from a 100 or so performances each year in its own theatre, carries out international tours. (Wed and Thur). (4.30 and 8.45 pm). (39.33.04).

WEST GERMANY

Frankfurt, Oper: Ein Maskenball is steered to triumph by Luis Lima outstanding as Riccardo. Lulu, with a complete finished third set, returns to the programme with Nancy Shade in the title role. It is produced by Harry Kupfer. La Boheme has a new cast with Yoko Watanabe and Luis Lima. Der Zigeunerbaron rounds off the week. (25621).

Berlin, Deutsche Oper: Salome has Karen Armstrong outstanding in the title role. *Aida*, sung in Italian, is a Götz Friedrich production. Der Fliegende Holländer is worth a visit, with Janis Martin and Martti Talvela in the leading parts. Also offered this week: Don Pasquale, The Magic Flute and Don Giovanni. (34381).

Theatre

WEST GERMANY

Munich: The English Theatre is presenting the Cheek by Jowl company, a young and enthusiastic ensemble who make ingenious use of simple stage designs and a minimum of props, in Educating Rita, by Willy Russell, a comedy with Jenny Evans and Nick Lloyd, directed by Stella Watson, designed by Herbert Scherreiks. It will be performed at the Theater am Sozialamt (TAMS), Haimhauserstrasse 13a from November 19 to 30. (089/345890).

TOKYO

Agnes of God: The Japanese version of J.P. Myers' play starring Keiko Takeshita and Hisano Yamaoka, with Japan's foremost set designer, Setsu Asakura. The choice of this play is an example of eclectic Japanese taste. Hakuhinkan Theatre, Ginza. (571 1003).

Kabuki (Kabuki-za) To commemorate November, traditionally the beginning of the Kabuki year, this month's performances feature the country's top actors in a special line-up. Matinee: Hikimado, an act from a classic Kabuki play about conflict between duty and emotion; Kurozuka, a Noh-derived demon play; Kanadehon Chushingura, a version of the 47 Ronin incident (about a band of loyal retainers who avenge their lord's death). Evening: Tsuchigumo: an exciting dance derived from a Noh demon-play about a gigantic demon spider; Kurotebumi Kurowa no Tatehiki, a comedy starring Japan's best Kabuki actor, Ennosuke in three quick-change villain roles. English programme and excellent earphone commentary. (541 3131).

NEW YORK

Sunday in the Park with George (Booth): Not your conventional musical. Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring Georges Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his imagined girlfriend, Dot. (239 6262).

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

WASHINGTON

Nest of the Wood Grouse (Eisenhower): Victor Rozov's Soviet comedy puts a human face on the local nemesis in the form of Eli Wallach and Anne Jackson as a Russian diplomat and his unpredictable family. Ends Dec 1. Kennedy Center (254 3670).

Crossed Words (Folger): A Christmas season pantomime is not much of an American tradition, but with John Neville-Andrews, an English head of the company, and the Globe Theatre as the setting, there is hope it can still catch on. Ends Jan 6. (546 4000).

LONDON

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an exotically expanding man-eating prickly plant. (930 2578).

The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Cinema/Nigel Andrews

Taking a spin on the Polish

Success is the Best Revenge, directed by Jerzy Skolimowski.
The Hotel New Hampshire, directed by Tony Richardson.
Maria's Lovers, directed by Andrei Konachlovsky.
L'Amour Par Terre, directed by Jacques Rivette.

Jerzy Skolimowski's *Success Is The Best Revenge* raises chaos to an art form. Greeted with dismayed bewilderment at Cannes this year and now cast into distributional purdah in deepest Hampstead, its atonal lunacies are clearly too much for mainstream cinema to take. The British-based Polish director of *The Shout* and *Moonlighting* has sketched a semi-autobiographical tale—of a Polish stage producer (Michael York) living in England and whimsically warring with the powers of bureaucracy and Western culture—and shot and edited it like a beserk firework display. There are eyeblink star cameos (Michel Piccoli, Anouk Aimée), set-tos in he corridors of power or the groves of academe (the hero's rebellious son is played by Skolimowski's own son Michael Lyndon) and a turnover of scenes so swift as to be stroboscopic.

From Cannes I described it as resembling a Godard movie edited by Spike Milligan; and it's for you to judge whose spirit is most in the ascendant as Skolimowski juggles slapstick and social satire, anarchy and allegory. York's artist-in-exile, with beard and accent, is a perfect Candide hero for the film's first and better half, when the comedy of communications breakdown in an allegedly more connected world pervades Chinese restaurants, ethnic demos, school geography lessons and every corner of the hero's wildly cross-fertilising life. If the world is a global village, Skolimowski suggests, then it has more than its share of village idiots and little local misunderstandings.

While two plots purl along in parallel—York's bid to stage a gargantuan open-air pageant dramatising the Polish crisis, and the escalating disaffection of his son who flouts school, insults Dad and ends by punking up his hair in red spikes and flying off to Poland—Skolimowski captures better than any British film-maker the paradox of our sceptred isle, which can be at once a home-from-home for unhappy exiles and a nightmare for both them and its own natives. Poised between East and West, Capitalism and Communism, Britain is part neutral nursing home and part bullet-ridden no-man's-land. *Success Is The Best Revenge* doesn't quite sustain its awesome early momentum—the climactic Polish pageant is murky and a little turgid, the son's antics don't win us over as they up the ante on the anti-social—but for the most part it's still a brave middle-distance race run at a breathtaking speed.

*

Director Tony Richardson also puts on his running shoes and tries to burn up the asphalt in *The Hotel New Hampshire.* Faced with a John Irving novel even more picaresquely dotty than *The World According To Garp*, Richardson decides on a flat-out approach, overtaking and if necessary bowling over each of the characters as they come in range: hotel-owning patriarch Win Berry (Beau Bridges) his teenage children of whom one is gay (Paul McCrane), two are incestuous (Jodie Foster and Rob Lowe) and a fourth is a dwarf (Jennie Dundas), eccentric old Freud (Wallace Shawn) who lures the family to Vienna for a year or two, and Susie The Bear (Nastassja Kinski), who hides in a bear suit because she thinks she's ugly.

Nastassja Kinski in 'Maria's Lovers'

Irving's novels, which are like a head-on collision between J. D. Salinger and D. M. Thomas with a little Dickens thrown in, are fantasy *bildungsromans* in which growing-up is an assault course through sex, dreams, hopes, bereavements and those turning-point moments at which we reach (hopefully) maturity. Richardson's film is far more winning than George Roy Hill's prosy plod through *Garp*, mainly because like Skolimowski he knows the virtues of constructive chaos.

The performances are especially exhilarating: Jodie Foster's plumply spitfire Franny, Rob Lowe's lean, rosy and arm-twirling John, Beau Bridges as the paterfamilias hotelier forever splintering on the rocks of near-ruin, and Jennie Dundas as the pint-sized Lilly who writes a best-seller, then writes a couple of failures and then defenestrates herself, thus mortally flouting the family's ongoing anti-suicide motto "Keep passing open windows." If you can bear the film's hideous visuals — like so many Richardson movies it looks as if it has been processed in mulligatawny (despite the presence of ace cameraperson David Watkin who lensed the luminous *Robin and Marian* and Musketeer films) — it's well worth a visit.

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Your motto for *Maria's Lovers* should be "Keep passing open cinemas": at least where this film is showing. Nastassja Kinski shimmies into view again as the slinky-lipped heroine, whose boyfriend John Savage returns from World War 2 scarred by a spell in a Japanese PoW camp. We are in a Pennsylvania small town dominated by Robert Mitchum as Savage's bleary, beery Dad and held in the grip of a fearsomely foggy, washed-out Technicolor. When Mr S fails to rise to the occasion on his wedding night with Miss K, we peer through the fog for the likely Lothario who will come and set her virginity alight and our hero's tragedy in motion.

When this turns out to be Keith Carradine in a crumpled felt hat, Don Ameche moustache and co-respondent shoes, we sigh quietly and give up. Playing a wandering singer and guitar-player who has obviously lost his way en route to the Grand Old Opry, Carradine crystallises the free-form ineptitudes of tone that rampage through this movie. Directed by Russia's Andrei Konchalovsky, it was co-written by him and France's Gerard Brach, with a little help from America's Paul Zindel and Marjorie David. The result is a piecemeal portrait of America in which too many paintbrushes have clearly spoiled the wash. The characters seem to have been born not in real life but in previous movies (Savage's traumatised war vet from *The Deer Hunter*, Carradine's strumming smoothie from *Nashville*) and the mist-fingered, folkloric settings hover uncertainty over the Atlantic somewhere between Baltimore and the Baltic.

*

Jacques Rivette's *L'Amour Par Terre* has sparkling moments but ends by doing the unadvantageous opposite of going down like a lead balloon. It disappears like a puff of helium in your mind, rising without trace. The mazy French chateau where the characters foregather for amateur theatricals—Geraldine Chaplin, Jane Birkin, Andre Dussolier, Jean-Pierre Kalfon and others — hosts featherweight identity games and soufflé-light literary in-jokes. All great intellectual fun if you happen to have brought along the complete works of Shakespeare, Lewis Carroll and Jorge Luis Borges. Otherwise you must settle for the pleasure of the performances, and of trying to catch Rivette's cerebral cool-air balloons before they disappear into the rafters of your brain

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All over London, like a terrifying epidemic of celluloid, the London Film Festival is continuing apace. At the National Film Theatre during the coming week you may catch Eagle Pennell's funny-downbeat *Last Night at the Alamo*, which is like *The Iceman Cometh* gone Texan, Lino Brocka's sulphurous strike melodrama *Bayan Ko* from the Philippines, and Nestor Almendros and Orland Jimenez's much-hailed documentry about oppression in Castro's Cuba, *Improper Conduct.*

At the ICA also lending itself to the LFF, why not expose yourself to the forlornly funny *Argie*, about the life and loves of a down-at-heel Argentinian immigrant in London during the Falklands War, and the magnificent *Orinoko, New World*, Diego Risquez's Venezuelan hymn to the colonists and conquistadores of South America: satirical, magical and shot on Super-8.

And if you wake up at an unlikely hour on Sunday morning you can go and see Francesco Rosi's *Carmen* at the Odeon Leicester Square (10.00) Placido Domingo, Ruggero Raimondi, Julia Migenes Johnson, castenets, roses and real Andalusian locations. And unlike the Covent Garden version, you can get into this one.

London Philharmonic/Festival Hall

Andrew Clements

Paavo Berglund's concerts with the London orchestras are happily becoming more frequent. An appearance with the London Symphony Orchestra at the Barbican last week was approvingly reviewed here by Dominic Gill, and for Wednesday's Royal Philharmonic Society programme Berglund conducted the London Philharmonic in Holst, Brahms and Elgar.

In the Festival Hall at least the Elgar symphonies have become thoroughly internationalised. Solti and Barenboim led the way; latterly Haitink and now Berglund have followed. Berglund's view of the first symphony was typically unsentimental, drawn in taut, clearly defined lines and excellently rendered by the LPO. The final peroration was grimly determined rather than buoyantly triumphant, and much that preceded it in the central movements was bleak indeed. The allegro molto had a demonic snarl (appropriate epithet when a tag from the Demon's Chorus in *Gerontius* snakes through the texture at one point), the Adagio a numbed stillness. Perhaps the first movement lost momentum once or twice, but it was invariably brought to heel with crisp, well marshalled ensemble.

In Holst's *Hammersmith* Prelude and Scherzo, however, such a firm rhythmic grip seemed less relevant. A greater plasticity would have given an easier flow to the prelude, a touch more wit would have brightened up the scherzo. It remained a thoroughly accomplished performance, though, each detail precisely placed.

In Brahms's Double Concerto the soloists were Yehudi Menuhin and Paul Tortelier. Yet their account did not generate the kind of musical excitement such glamorous encounters promise (and sometimes deliver — one remembers Stern and Rostropovich striking real sparks in the same work at Aldeburgh in 1982); rather it was an intimate colloquy, surprisingly small-scale, with neither partner inclined to dominate proceedings.

Music

NEW YORK

New York Philharmonic (Avery Fisher): Andrew Davis conducting and organist, Alicia de Larrocha, piano. Ravel, Franck Falla, Saint-Saens (Tue); Zubin Mehta conducting, Daniel Barenboim, piano. Mozart, Strauss, Schuller: Concerto Quaternio (world premiere) (Thur). Lincoln Center (799 9595).

Carnegie Hall: Gewandhaus Orchestra of Leipzig, Kurt Mazur conducting. All-Beethoven programme (Mon). (247 7459).

WASHINGTON

Philadelphia Orchestra (Concert Hall): Rafael Fruhbeck de Burgos conducting, Earl Wild, piano. Schumann, Rachmaninoff, Tchaikovsky (Mon). Kennedy Center (254 3776).

National Symphony (Concert Hall): Gunther Herbig conducting, Daniel Barenboim, piano. Brahms, Schubert (Tue). Kennedy Center (254 3776).

Chamber Music Society of Lincoln Center (Concert Hall): Brahms, Ravel, Bartok (Wed). Kennedy Center (254 3776).

CHICAGO

Chicago Symphony (Orchestra Hall): Leonard Slatkin conducting, Christian Altenburger, violin. Previn, Goldmark, Dvořák (Wed). (435 8122).

LONDON

Royal Philharmonic Orchestra conducted by Yuri Temirkanov with Salvatore Accardo, violin. Prokofiev, Tchaikovsky and Elgar. Royal Festival Hall (Mon). (928 3191).

Peter Donohoe, piano. Debussy, Beethoven and Chopin. Queen Elizabeth Hall (Mon). (928 3191).

King's College School Choir conducted by Michael Jenkins. Bach, Handel, Elgar, Britten and Tippett. Purcell Room (Mon). (928 3191).

London Philharmonic Orchestra conducted by Bernard Haitink with Itzhak Perlman, violin. Vaughan Williams, Britten and Elgar. Royal Festival Hall (Tue).

London Symphony Orchestra conducted by Pierre Boulez with Pinchas Zukerman, violin. Stravinsky and Berg. Barbican Hall (Tue). (638 8891).

PARIS

Teresa Zylis-Gara recital, Christian Ivaldi, piano (Mon). Théâtre de l'Athénée (742.67.27).

Alban Berg Quartet from Vienna (Mon, Tue, Wed). Théâtre de la Ville (274.22.77).

Ensemble Orchestral de Paris conducted by Dieter Gutknecht, Nella Anfuso, soprano: Vivaldi, Corelli, Monteverdi (Tue). Salle Gaveau (563.20.30).

NETHERLANDS

Amsterdam, Concertgebouw. Samuel Bartos performs piano works by Bach, Schubert, Beethoven, Bartok and Ravel. Recital Hall (Mon); Amsterdam Philharmonic under Christian Badea, with Malcolm Frager, piano. Debussy, Bartok, Sibelius (Tue); Recital Hall (Tue). Hans Roelofsen and Rudolf Senn, double bass, and Leo van Doesselaar, piano. Couperin, Bruch, Bottesini and Hindemith; Amsterdam Student Philharmonic conducted by Joop van Zon, with soloists. Lalo, Debussy, De Lange, Tchaikovsky (Thur); Kreuzberger Quartet, Haydn, Partos and Dvořák. Recital Hall (Thur). (718 345).

Rotterdam, De Doelen. Royal Conservatory Orchestra, with vocalists, conducted by Edo de Waart and Rutger van Leyden. Beethoven, Mozart, Verdi (Mon); Rotterdam Philharmonic under Edo de Waart, with Radu Lupu, piano. Schumann and Strauss (Thur) (142 911).

ZURICH

Tonhalle: Isaac Stern, violin, and Jean-Bernard Pommier, piano. Beethoven, Bach, Mozart and Faure (Mon); Tonhalle Orchestra, Vivaldi, Mendelssohn and Prokofiev (Wed).

VIENNA

Hermann Prey and Thomas Moser with Helmut Deutsch and Leonard Hokanson, piano, and the New Vienna Vocal Ensemble led by Peter Altmann. Schubert songs. Musikverein, Brahms Saal (Mon).

Hermann Prey and Helmut Scharinger with Helmut Deutsch and Leonard Hokanson, piano, and the Kuchl Quartet and the Vienna Male Song Society led by Xaver Meyer. Schubert. Musikverein, Brahms Saal (Wed).

Edith Wiens, Werner Hollweg and Hermann Prey with Helmut Deutsch and Leonard Hokanson, piano. Schubert. Musikverein, Brahms Saal (Thur).

ITALY

Rome: Auditorio di via della Conciliazione (Accademia de S. Cecilia). Janos Furst conducting Mozart, Strauss, and Mendelssohn and Berg with violinist Gidon Kremer. (Mon 9 pm, Tue 7.30); Pierluigi Urbini conducting Haydn and Tchaikovsky with cellist Mstislav Rostropovich (Wed). (65.41.044).

Rome: Oratorio del Gonfalone, vicolo della Scimia 1/B (via Giulia). The Gonfalone Chamber Orchestra with cellist Jorge Schultis. Bach, Boccherini and Vivaldi (Thur 9pm). (655.952).

TOKYO

The Smetana String Quartet: Richter, Beethoven, Smetana. Tokyo Bunka Kaikan (Mon). (235 1661).

Tokyo Philharmonic Orchestra, conducted by Juri Segal; Yeruk Dems, piano. Webern, Mozart, Bartok. Tokyo Bunka Kaikan (Mon). (234 5911).

Rundfunk Symphony Orchestra of Berlin conducted by Heinz Rugner: Wagner, Bruckner. Tokyo Bunka Kaikan (Tue): Beethoven. Hitomi Memorial Hall (Wed). (461 2590).

Andreas Schiff (piano): Bach, Bartok, Haydn, Beethoven. Shinjuku Bunka Centre. (Wed). (235 1661).

WEST GERMANY

Frankfurt. Alte Oper: Mozartsaal. A lieder recital with Ilena Cotrubus, accompanied by Roger Vignoles. Wolf, Berg, Liszt and Debussy (Mon).

VIENNA TREAT

The Vienna Schubertiade is a treat for Schubert enthusiasts visiting Vienna from November 17 to 25. In 1963, the Vienna Society of Friends of Music conceived the idea of performing the complete works of Schubert chronologically every year for a week around November 19, the anniversary of the composer's death. Because Schubert was such a prolific composer, this cycle will continued until 2003. The Schubert concerts are performed in various venues, but all tickets and full programme are available from the Musikverein, Vienna 1, Dumbastrasse 3. (65 81 90).

PATRICK BLUM

Chance Visitor/Palace, Watford

Martin Hoyle

Three generations of women chat and giggle about the absent-minded paterfamilias. He presently arrives, distraught, and reveals that he has fallen in love with another woman. His mother is quizzical, his twentyish daughter upset; but the rest of the play deals with the reactions of his wife, a smart surgeon, still attractive at 45, trying to come to terms with this upheaval

Alexsei Arbuzov is best known for *The Promise*, a study of youthful friendship maturing against a background of wartime Leningrad. In this 1980 play he emphasises people's roots, their feeling for place, in the same city.

The spectre of Chekhov hovers over the opening scene, especially when James Greene's fraught astronomer husband lapses into autobiography at the drop of a samovar. ("For you dark nebulae are all that matters!" is a fair specimen of family baldinage).

The grief and resilience of his wife, Lyuba, contrast with the aimless self-pity of the unexpected guest. Cousin Denis arrives with a blonde described (after much agonising that provides an interesting comment on moral attitudes in provincial Russia) as his fiancée.

A night out together provides Lyuba with a chance to come to terms with past and future, and Denis with the opportunity to display a gloomily cryptic cynicism. The mood comes perilously close to parody when a gypsy girl singing and strumming in a restaurant launches into an ominous tremelo just as Denis offers to kill Lyuba's husband. But the subsequent drama is provided by what according to the sound effects should have been a fatal car crash, though it leaves the couple lying sufficiently unscathed to continue philosophising and invite a discreet black-out with a passionate clinch.

As the "decidedly worthless youth—an obvious nonentity," as the daughter says in Ariadne Nikolaeff's literal rather than vital translation, John Keegan looks right but sounds weedy. As the girl and her grandmother Maria MacDonell and Rosamund Greenwood give sterling support; but Barbara Jefford is wasted as Lyuba.

Carlo Bergonzi/Covent Garden

Richard Fairman

In 30 years Carlo Bergonzi has kept up an impressive standard of performance. Even more portly than of old, more solid in stance, he certainly looks the elder statesman among Italian tenors. But surprisingly he looks more relaxed now on the recital platform than he has ever done on the operatic stage.

A few difficulties have come with the years. His voice functions with security in a decreasing range. The bottom notes sound rusty and hollow; and he often nurtures the sound cautiously at the top. But it is a relief that so much is as good as it used to be. His handling of the Italian language remains especially characteristic. In the line "Il mio duol non può lenir" the poetic use of the consonant "l" announced singing of the first order.

The programme began with songs by Verdi, Bellini and Donizetti. This is standard fare in Italian recitals, but then one wonders which of Bergonzi's current tenor counterparts—Domingo, Carreras or Pavarotti—could manage this sort of repertoire without crushing such delicate petals in their grasp. Bergonzi's style can manage the miniature as well as grand opera. His voice sounds well at pianissimo; he points detail with care; and, above all, he can move from note to note with the finest grading of legato.

Much of his best work came in the slow, lyrical songs. Tosti's "Chanson de l'adieu" was sensuous and beguiling. In "Quella dolce Madonnina" by a certain Renato Cairone—an extraordinary piece which combines a religious text with music for a smoky, perfume-laden cabaret — the very restraint made its mark. Other items wanted more variety.

The operatic numbers probably exposed his current vocal state most truthfully. "Una furtiva lagrima" from Donizetti's L'elisir d'amore had some ungainly explosive climaxes when he pushed for more effect. But in "Ginto sul passo estremo" from Boito's Mefistofele the top notes, proudly displayed, regained some of their old lustre.

FINANCIAL TIMES

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Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Friday November 16 1984

Dialogue with Dublin

MRS THATCHER will have talks very shortly with Dr Garret FitzGerald, the Irish Prime Minister, at a summit meeting of which the expectations were once high but have now been dimmed. They have been *dimmed partly* because of the bomb attack at the Conservative Party Conference in Brighton only a few weeks ago, and partly because the British reactions to the report of the New Ireland Forum on the Irish question earlier this year have not been quite as enthusiastic as the Irish had hoped. It is Dublin rather than London which is the more pessimistic about the outcome.

Yet it is very important that the talks should succeed, and in the long run perhaps even more so to the Irish Republic than it is to Britain. The word "success" requires definition. Quite the worst thing that could happen would be for the Irish Government to go away saying *that nothing much had changed* in the British position, that Mrs Thatcher still did not take the problem seriously enough and was interested only in increasing co-operation on security.

That would be bad for Ulster, bad for Britain and even worse for the Republic; for the Provisional IRA, which by now has become a very sophisticated machine, would continue to exist and ultimately is aimed more at Dublin than it is at *London. The Irish could grouse* about the British, as they have done for many years, but the problem would not go away.

Security

So success means at the very *least an* agreement to go on talking, and to do so in good faith. It also means placing further co-operation on security at the top of the agenda. The Republic's resources here are limited, not least because Dublin today *has all the problems of a* large, modern city. It needs policing, and the security resources which go into that are not easily available for watching the border. Yet the IRA, like its extreme Loyalist counterparts, are enemies common to London, Dublin and the bulk of the people of Northern Ireland. Improved security is an essential ingredient to any political progress.

It is also important for the Irish Government and the Irish people to understand that there are certain points on which the British Government cannot, and *should not, give very much, or* at least not yet. It cannot, for instance, simply switch its policy in Ulster to one of alien*ating the majority* from one of alienating the minority. There will be no peace in Ireland until the two communities in the North have been reconciled, and that will take time.

Equally, there can be no ques*tion yet of giving the Republic* anything like executive authority in the North. Certainly, Dublin would be welcome to play a consultative or advisory role, but the idea of shared executive power is still out for the foreseeable future.

Vacuum

There are also some political things which the Republic and the minority community in Ulster could do to help. For example, they could encourage Mr John Hume and his Social Democratic and Labour Party to take up their places in the *Northern Ireland Assembly*. Their absence creates an even greater political vacuum than is necessary, and at some stage the communities are going to have to work together.

All these may sound harsh *words to Dublin ears*. Yet it is worth remembering how far we have come in the last few years. Dublin and London, after all, do now talk to each other in fairly civilised tones. It has become a widely accepted view in Whitehall and Westminster that the Republic must play some part in an Ulster settlement. Even the Unionist parties *have begun putting out some* proposals for reconciliation. What Dublin has to recognise is that it takes time and patience. *If there is reconciliation,* even Irish unity becomes possible.

Rajiv Gandhi's long haul

MR RAJIV GANDHI has begun well as the new Indian Prime Minister. He has shown decisiveness in re-establishing order when Hindu-Sikh animosities threatened to run out of control after the assassination of Mrs Indira Gandhi. He has uttered the right sentiments about the need to combat inefficiency, corruption, excessive bureaucracy, the curses of modern India.

But Mr Gandhi must know himself that he has only barely embarked upon the task of establishing his own position and of repulsing the many challenges to orderly government and, indeed, to the unity of India.

The election which Mr Gandhi has so promptly called for the end of next month—win it though he must—is in some ways the easiest task facing the new Prime Minister. The Congress (I) party which he in*herited from his mother is* mother is generally expected to defeat the largely fragmented opposition.

In its various guises, Congress has ruled India since the country became independent in 1947, except for a brief interlude in 1977-79. The Janata Government in power during those two years failed to achieve *any political cohesion. There* is no reason to doubt that the present opposition parties, if they were to gain power, would do just as badly.

Such predominance of one party is not generally thought *to be healthy for a democratic* system. In the case of post-independence India it may have been inevitable. Congress is the party of the struggle for independence, which has shaped the modern Indian state. Once in power it became the party capable of dispensing patronage. It is the party under which India has fought success*ful wars against* Pakistan and under which it became the leader of the non-committed world.

Personalities

Besides these undeniable successes, Congress is the party of Mr Jawaharlal Nehru and his daughter, Mrs Indira Gandhi, two towering personalities. In a country like India with a largely illiterate electorate, personalities weigh heavily in politics. Mr Nehru's grandson has a great deal to live up to.

*Given the dominance of Con*gress over national politics and the diversity of India, it is not surprising that the opposition parties are largely regional or communal. Hence their inability to carry out a construc*tive policy in 1977-79.* Hence also the constant strains imposed on the union of India by centripetal forces.

The occupation of the Golden Temple of the Sikhs; its storming by the Indian army; the murder, in retaliation, of Mrs Gandhi; and the Hindu-Sikh clashes which ensued are dramatic and disturbing events. But they are not isolated. The Hindu-Moslem relationship has been potentially unstable since the communal riots of 1947. Governments hostile to domination from Delhi exist in several Indian states.

Mrs Gandhi often became impatient in such instances, and on several occasions her son also advocated drastic policies. Granted that the Indian Government has a duty to protect the union, the federal *constitution also needs to be* respected. That is not only a matter of constitutional law: it is a necessity if the country is to be held together.

Conciliation

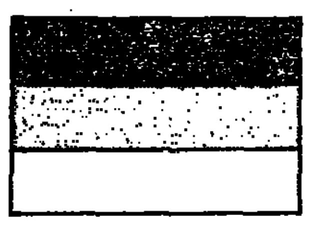
*Mr Gandhi's good start has in*cluded a move to trim some of the red tape entwining industry. He has shown encouraging signs of accelerating down the road chosen by his mother since 1980 when she decided to open up the economy, giving more scope to the private sector and to foreign investment.

Important though these developments are, the outside world will watch most carefully how Mr Gandhi manages his foreign relations. The "peace *offensive" announced from* Islamabad after Mrs Gandhi's death is beginning to look stillborn. But Mr Gandhi ought to seize on any opportunity to reduce tension with his Moslem neighbour. There have been too many wars on the subcontinent.

He also has an opportunity to adjust the position of India in the great contest between Moscow and Washington. Since Mr Nehru's day Delhi has been inclined to complement its non-alignment with a calculated coolness towards Washington and a degree of warmth towards *the Soviet Union. Washington* has responded with deep suspicions of India's true intentions. The time has come for both sides to come out of the rut.

Mr Gandhi's first task is to establish his authority and to give India stable government. But in the longer run he will not succeed unless he develops *powers of conciliation* that were not his mother's strength. Reconciliation is urgent between Sikh and Hindu. It needs to be achieved also with *Pakistan* and with the leading power of the West.

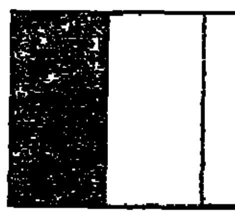
EUROPE'S QUEST FOR MORE JOBS



WEST GERMANY—*Employment Promotion* Bill: extends use of fixed-term contracts; narrows definition of unfair dismissal; restricts use of paid overtime. Currently before Bundestag.

Early Retirement Law: subsidises retirement at age 58 when unemployed workers recruited; requires employers to grant early retirement if workers demand it.

Working Time Bill: encourages work *sharing and part-time working; does not* lift tight restrictions on Sunday, holiday and evening opening by retailers. *Passage expected spring, 1985. Most* employment promotion and liberalisation measures will be withdrawn after *December, 1988.*

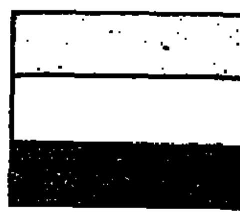


FRANCE — *Employment* Regulations: employers claim 470.000 jobs would be created by easing hiring and firing *restrictions; government* authorisation still required for redundancies.

Working Time: improvements in "Solidarity Contracts," granting government aid for companies which cut working time and promote early retirement. Aim is to cut working week from 39 hours to 35 hours.

Training: new law extends training subsidies. Government promises training place to all jobless teenagers by end of 1985.

Unemployment Benefits: less generous system began April 1, after near-bankruptcy of national insurance fund.



NETHERLANDS—*Employment* Regulation: government report urges changes to redundancy procedures, reducing lengthy consultation periods. Legislation awaited.

Working Time: implementation of 1982 agreement to cut working time by 10 per cent by 1987; government indicates *promises to legislate in 1985 if* voluntary working time reductions lose impetus; union confederation proposes *standard 32-hour week by 1990.*

Unemployment benefits: cut by 3 per cent in July.

Pay: Cuts in minimum wages and civil service pay, following freezes in 1983; further cuts expected in 1985.

BELGIUM — Employment Contracts Bill: extension of fixed-term contracts for young workers; reduction in dismissal notice period for some workers; permission for companies in "economic difficulties" to make redundancy payments in monthly instalments.

Training Bill: employers required to recruit young workers for training at 90 per cent of normal pay.

Working Time: experiments with variable shift patterns in 28 industries. Scheme to cut working time by 5 per cent and pay by 3 per cent to secure employment.

Pay: Freeze lifted in December, 1983.

Taking a flamethrower to an iceberg

By Anatole Kaletsky

TO JUDGE by their public pronouncements, nearly all European governments would strongly endorse these two statements: Unemployment is the most serious economic problem in Europe today; and the main cause of *the unemployment* crisis is the inflexibility of Europe's labour markets—a state of economic semi-paralysis fashionably referred to as "Eurosclerosis."

Thus, every European capital is buzzing with talk of exposing *the job market* to competitive forces and emulating America's "supply side" prescription for employment. There are calls for lower wages, *plans to dis*mantle employment protection laws and schemes to widen income differentials between people with jobs and those in the dole queues.

Yet as the range of these pro*posals has widened*, so has the gulf between rhetoric and action.

Most European governments have experimented to some extent with supply side labour market policies, which can be divided into four broad categories—reduction of labour costs; deregulation of hiring and firing; expansion of work incentives by *cutting unem*ployment benefits and income taxes; and restriction of trade union monopolies. But to economists who genuinely believe that frozen labour markets are the ultimate cause of the unemployment crisis, these piecemeal measures, however bold they may have seemed to the politicians who took them, are *pathetically inade*quate: like using a flamethrower to attack an iceberg.

Nothing short of an economic and social upheaval would be required to turn Europe's labour markets into a semblance *of the U.S. model.* For example, only 25 per cent of U.S. workers are covered by collective bargaining, against 90 per cent in Germany. Payroll taxes and benefits add 78 per cent to employment costs in Germany and 60 per cent in France, against 28 per cent in the U.S. *Long-term unemployment bene*fits are roughly three times more generous in Germany than in the most liberal U.S. states. American workers enjoy practically no legal protection from dismissal, while in *several* European countries it is impossible even for failing companies to make workers redundant without government approval.

It is against this kind of background that the modest supply side actions taken in European labour markets over the past 12 months must be judged.

● *On labour costs, Italy*, Denmark, the Netherlands and Belgium have all modified or suspended their systems of wage indexation. In all these countries, however, pay negotiations continue to be subject to per*vasive national agreements* and government guidelines. Belgium, probably the most over-regulated country in Europe, recently passed a law requiring the Minister of Labour to set pay scales for domestic servants.

Minimum wages have been cut or frozen in many countries and differentials for young workers have been widened but in the Netherlands, for example, the national minimum wage remains over £110 a week, even after this year's 3 per cent cut.

Most governments have stopped adding to the cost of employment with *ever-higher* payroll taxes, but there has been little action to scale these back, except in Britain, where a 1 per cent National Insurance surcharge on employers has been abolished. There is no indica*tion that other governments* will give priority to payroll tax reductions over cuts in income taxes.

● On employment protection, reforms have been even more cautious. In Spain and Bel*gium, proposals to ease redun*dancy regulations for young workers still leave dismissal rights extremely restricted by U.S. standards. In Belgium basic *employment* laws which provide white-collar workers with notice periods of up to two years *remain* sacrosanct. In Spain, the government has backed down from ideas of deregulating adult, as well as youth, employment.

The French employers' federation has claimed that 470,000 jobs could be created in 18 months by *easing dismis*sal laws, but the unions have accused it of "bluffing" and the Labour Inspectorate retains a power of veto over all redundancies, even in the smallest firms.

● *Social security* benefits have been cut or reformed in the Netherlands, France, Denmark and Germany, but they remain generous by American or British standards. A single person unemployed in Germany, for instance, on average could expect 65 per cent of his or her income to be replaced by benefits in the first year of unemployment and just under 60 per cent in the second year. The corresponding figures for Michigan, *in the U.S. according to the* OECD, would be 45 per cent in the first six months of unemployment and 25 per cent in the period beyond.

● The British Government appears to be in a minority of *one in targeting trade union* monopoly power in the labour market as *the* root cause of unemployment. Other governments would not dispute that unions can sometimes contribute to unemployment by *demanding* excessive wages and preventing the unemployed from pricing themselves into jobs, by offering to undercut existing workers. But while the British Government has built its whole supply side strategy around attempts to weaken unions—for example, *by privatising heavily unionised* public monopolies—other European countries adopt a more relaxed approach.

Unions may be a source of market distortions, but they are also "the social partners." And, perhaps because trade unionism is already subject to many of the legal constraints now being introduced in Britain, even the conservative governments of northern Europe seem to regard consen*sus with the social partners* as a higher priority than unfettered labour market competition.

> As the range of proposals has widened, so has the gulf between rhetoric and action

In fact, the cautious, consensus-seeking attitude of Continental governments is the fundamental reason why Europe is most unlikely genuinely to try the American supply-side model as a solution for its *unemployment problems.* The Thatcher Government might contemplate the social upheavals required to bring Britain's labour market institutions in line with America's, but Continental governments do not appear to have the stomach for this kind of radicalism.

Perhaps they are simply less confident that the supply-side *prescription will work* at tolerable cost. As one official says: "Lower wages would ultimately create employment, but nobody can honestly tell you how big a wage cut would create how many jobs and how soon. Flexibility means very different things for Kohl and Thatcher—maybe Mrs Thatcher would follow the logic of her arguments and cut wages to *the level of the Filipinos:* the Germans would not consider this for a moment."

An even more important difference between the *British* and Continental philosophies lies in history: the Germans, French, Belgians and Dutch are uneasy about revolutionising their labour market institutions and social traditions. The *simple* reason is that until the last few years, these have proved remarkably successful.

With the economic miracles of the 1950s and 1960s still in their memories, many Europeans remain quite complacent *about their economic and social* structures.

Europeans have spent 20 years attributing America's crime and drug problems to its disordered society and the flimsiness of its welfare safety nets. Europeans have watched their living standards and the productivity of their industries catch up with, and sometimes *overtake*, the *U.S. performance.* They have even enjoyed far lower rates of unemployment than Americans for most of the post-war period. Indeed, in every year from 1960 to 1982 unemployment in the U.S. was *above the European average.*

Against this background as one EEC official observes, it is not perhaps surprising that Britain, "the only country in Europe which has failed by almost any economic criterion, *is leading the intellectual* assault on Europe's traditions."

But if the Europeans' ambivalence about the U.S. model is understandable, it leaves unanswered the challenge of creating a specifically *European policy for jobs.* The *old* strategy which was successful in the 1960s seems no more applicable than the new American model to a European economy still adjusting to inflation, high energy costs and new technologies.

A middle way, moving towards more flexible markets and lower labour costs relative to profits, but without abandon*ing European social traditions,* would appear in theory *to* be quite feasible. Governments could do far more than they have so far to increase the role *of markets* and reduce distortions, without fundamentally *challenging* the social consensus. They could redistribute taxes from payrolls to consumption and profits; they could pare *back the excesses of employment* protection legislation without undermining it entirely.

All these actions would still leave Europe's markets less "perfect" than the U.S. model. However, if they failed to gen*erate employment the explana*tion would probably lie in the omission of the second crucial ingredient in America's recent success story—monetary and fiscal reflation. In the short term, demand reflation provides the surest way of cutting unemployment. But without supply side measures to back it up, a demand stimulus could all too *easily be dissipated in inflation,* instead of real growth. This is why the European Commission, in its recent annual economic report, proposed a package of simultaneous measures on supply and demand as the only solution to Europe's *job crisis.*

Until Europe's governments regain the confidence to devise a balanced and co-ordinated strategy of this kind, there is only one other source of hope for Europe's jobless: employment measures which are diametrically opposed to the fashionable pro-market philosophy. All over Europe, governments are *pulling* workers out of the job market with schemes for early retirement, work sharing and never-ending "training."

In effect, millions of Europeans are being told they are surplus to society's requirements. For these people there is only one consolation. As one official who deals with youth unemployment puts it: "Society is redefining what it means by failure."

Men and Matters

Clive of the CBI?

Never to be outdone by anybody, Clive Jenkins, general secretary of the white-collar union ASTMS, seems to be one *step ahead of Eric Hammond,* leader of the electricians' union, in the race for a puzzlingly-coveted place in the Confederation of British Industry.

Hammond's announcement that he would like to take his *union into the CBI was quickly* sat upon by the CBI backwoodsmen. It was frostily stated that the CBI could not accept trade unions into membership.

But Jenkins' move appears more promising. As part of his *range of extra-ASTMS activities,* Jenkins is non-executive chairman of a body called the London Enterprise Development, which carries out work aimed at promoting and creating jobs in the capital. A pilot project at a bus garage in North Kensington is currently under way.

Jenkins disclosed yesterday that the group has already applied for CBI membership—and has been accepted. While it is not yet clear who will be the LED's delegate to the CBI conference, Jenkins is already relishing the prospect of mixing it with the employers in a way which even he hasn't done in close to 40 years of trade union life.

Nix pix

The latest campaign badge to hit the streets says Brit. Gov. Nix Pix. Translated from the *language of Variety* into plain English, I think it means that the British film industry is not yet wholly convinced that the Government's film bill, due to receive its premiere in the Commons on Monday is the answer to its problems.

The badge made its debut, together with a teeshirt and a short campaigning film, at a stylish champagne reception given by the independent film producers at a West End disco.

As the Sean Connery sound track said: "The silver screen meets the White Paper. One of them's got to give—and it had better not be our film industry."

Royal candidate

Now that Morocco has split from the Organsation of African Unity, King Hassan II is embarrassing governments and officials alike in several European capitals by his evident desire to keep up the momentum and catapult his country right into the European Common Market.

The King's wish for Moroccan membership is drawling muffled cries from Brussels bureaucrats that his ambition is not "realistic."

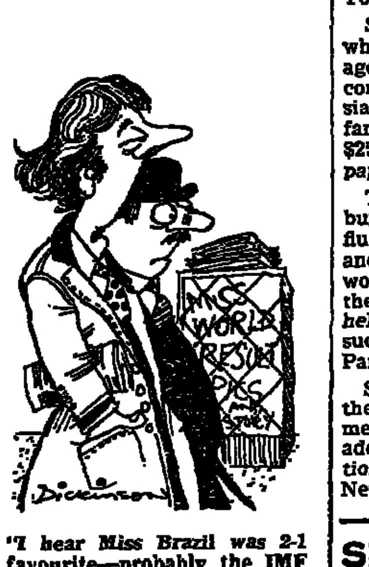
Nevertheless, French sources do admit that President Mitterrand received a letter from the king earlier this year requesting that Morocca be considered for membership.

Only in Athens, however, has Hassan's new diplomatic foray into Europe aroused real indig*nation. For the king commented* of the market's youngest member in a recent interview, "Geographically Morocco is more European than is Greece."

Design movements

Tony Lake, a director of Bass, jokes that his skills are with the vices—beer, wine, and gambling. Besides being a member of the brewery group's executive *committee* he is chairman of subsidiaries Hedges and Butler, Coral Racin (bookmaking), and a Bass wine company in Bordeaux.

But the Prudential obviously *believes he has a taste for the* fine things in life as well. The Pru is making its first venture into the world of design by backing a new design consultancy called Crighton. Lake has been asked to keep a fatherly



"I hear Miss Brazil was 2-1 favourite—probably the IMF hedging their bets"

eye on the business as non-executive chairman.

Five former employees of the design consultants Fitch and Company have banded together to set up Crighton led by Stephen Walsh, aged 39, chief executive.

The Pru has a 30 per cent stake through its venture capital arm Pruventure.

Leslie Jones and Partners, the City of London architects, are also Crighton shareholders. The two firms intend to work closely together on retail town centre and *commercial schemes.* "Architects and designers tend to feed off each other," says Derek Jones, senior partner at Leslie Jones, and a non-executive director of Crighton.

Joke investment

The Newhouse family, which controls the largest private publishing empire in the U.S. including Random House Books and seven magazines, is expanding again.

Advance Publications, the family firm which has estimated annual revenues of over $1.5bn, says it intends to acquire a 17 per cent stake in the New Yorker magazine.

Samuel Newhouse, aged 56, who with his brother Donald, aged 55, runs Advance, the company built up by their Russian immigrant father, says the family has plans to spend $25.5m to buy into the satirical *paper.*

The Newhouse family will be buying into one of the most influential satirical, humorous, and literary magazines in the world—it became famous under the editorship of Ross and he *helped shape its style by hiring* such waspish writers as Dorothy Parker.

Samuel Newhouse insists that the stock purchase is for investment purposes only. And he adds that Advance has no inten*tion of seeking control of the* New Yorkers.

Skimmed milk

Surrounded by the slapdash in*efficiency* of their European colleagues, life in the EEC must sometimes be a bit of a trial for the West Germans.

Now that the dust has settled from the monumental row in Brussels this week over the *week over the "superlevy" on* excess milk production, it emerges that the Community's most disciplined nation is the sufferer.

Farming-minded readers will recal that dairy farmers across the EEC were expected to pay their first fines for excess milk production by yesterday. But, *due to the inevitable foot*shuffling by the French, this now looks as if it will be delayed until February (much to all farmers' relief).

Unfortunately for the Germans, their hard-earned cash is already safely delivered and banked. They will not get it back until December—and there will not be any interest.

Observer

POLITICS TODAY

A miracle is not demanded

By Malcolm Rutherford

THIS HAS been a superb week for parliamentary speeches—the Earl of Stockton in the House of Lords, in the Commons Mr James Callaghan, Mr Francis Pym and a relatively obscure Conservative backbencher, Mr Alistair Burt, the MP for Bury North, to name but a few.

It may also have been something else. The week may have marked the beginning of a return to political consensus. For there were certain common themes that ran across the parties and appear to run across the country.

Easily the most important domestic event this year has been the miners' dispute. It is not over yet, but what is new in the last few weeks is the spreading awareness that Mr Arthur Scargill, the president of the National Union of Mineworkers, is not going to win. Parliamentary democracy has prevailed: the policy of sitting out the strike without panic is succeeding.

That should be of benefit to almost everyone: to the Government, to the Labour Party, the parliamentary leadership of which is steadily distancing itself from Mr Scargill, and also perhaps ultimately to the trades unions, which have seen the folly of one of their constituents making totally unreasonable demands.

The question now is: what to do with the victory? Rather like the Falklands war, it is one thing to come out on top, but another to reach a lasting settlement. That is broadly what the outstanding parliamentary speeches this week have been about.

Something has changed in the national consciousness . . .

Something has changed in the national consciousness in the past few months. Unemployment is now seen to matter more than anything else. Indeed, it is regarded as almost a national scandal.

Yet at the political level a more subtle change is taking place. There is considerable appreciation of what Mrs Thatcher set out to do, but a realisation that circumstances have altered. None of the best speeches recently have been entirely critical of the Prime Minister, but they have been a warning.

The key word has been "balance"; not only the balance between law and order, freedom and anarchy, but also between the various objectives of economic policy — counter-inflation, employment, growth and the need for a regional spread.

The Earl of Stockton, for instance, went to the House of Lords to praise Mrs Thatcher, not to bury her. Her Government, he said, had faced a "terrible situation, in terms of war like the breaking of an army, with a courage, a determination and a persistence which must ever be admired by all reasonable men and women."

But that was not all. He also said, referring to the original industrial revolution: "There were great troubles and hardships . . . that is because people would have theories. *Laisser-faire* was just as bad as collectivism. Good men, good Christian men, like Mr Cobden and Mr Bright, closed their eyes to factories working appalling hours, employing children under 12 — and not only hours in the factory, but underground, too. No, the Government could not interfere; it was against the doctrine of *Laisser-faire*.

"*Once you get a doctrine, that is the end of you. Pragmatic politics are the only good ones.*" (My italics.)

And he went on to say that the present situation affecting the miners was breaking his heart.

Mr James Callaghan, the Earl of Stockton, Mr Alistair Burt and Mr Francis Pym

Mr Callaghan, as the former Prime Minister, paid the Government some tribute, too. "In my view," he said, "the Conservative Government have done better than the Labour Government on inflation and productivity, but the Labour Government did better than the Conservative Government on employment and growth."

Again, there was the question about the balance of objectives in economic policy, plus a warning that Britain may be still in long-term secular decline. There was a particularly striking passage about the decline in the exchange rate against the dollar.

Like the Earl of Stockton, Mr Callaghan expressed his sorrow and concern about the miners' dispute.

Mr Pym went in harder, perhaps because he was more recently in office, still misses it and knows what the Conservative Party a few years ago set out to do. The Government, he said, "Adheres with notable rigidity to the economic policies prepared in the 1970s — the policies that were going to create 'Real jobs' . . . But it cannot be denied that those policies have not yielded the results claimed for them . . . they show no signs of producing those results yet. *That is because those policies are being applied in circumstances that have completely changed.*" (My italics again.)

The former Foreign Secretary almost echoed Mr Callaghan in talking about the need for a change in the balance of the economic strategy.

Yet in a way the most touching speech of all came from Mr Burt, partly because it stressed the same themes, but also because it came from a young Conservative speaking from the heartlands that the Tories do not always win.

"To be told," he said, "that we are in the fourth year of recovery with unemployment at 3.5m is a definition of an economic boom unknown to me." Unemployment, he went on, in the Bury-Bolton travel-to-work area was around 17 per cent. "It is time the Government recognised the pain that hon Members must endure in their constituencies when they deal with the problem. Whether the Government deny it or not, it is time they realised that many people are saying that some of the unemployment problem is their fault."

But it was still not a frontal attack, for Mr Burt also said: "My constituents understand the kernel of good sense at the heart of the Government's message, and know, because they are sensible, that a number of factors contributing to unemployment cannot be laid at the Government's door . . .

"My constituents will not demand to see the Chancellor perform miracles in the desert, but they expect him to be out there with his stick tapping at the rocks with a shrewd idea where the water might spring from."

In another swing at the Chancellor, Mr Burt argued that his constituents were not all sure that cuts in direct personal taxation should be a priority to the exclusion of all else. He concluded after words remarkably similar to those of the Earl of Stockton: "In the cause of material and spiritual advancement, economic theory is a fine servant of governments, but it is a dreadful master."

The conclusion from all those quotations from a fairly diverse set of politicians and generations should be clear enough: it is that time for the Government's economic policy to work may be running out. It is not much use arguing that in 1981 the Government, the Chancellor and the Treasury seemed unpopular in Parliament and the country, yet the Tories recovered to win a landslide victory in the General Election two years later. The point is that it is now almost 1985 and unemployment is worse.

For a number of years the mood of the country has been to say that the Government has done relatively well on economic strategy except for jobs, which are not wholly in its province. The time may come — some of the Tory MPs suggest in their reports from their constituencies that it is very near — when people will turn the argument round.

They will say that because the Government has failed on jobs the economic policy — and Mrs Thatcher's administration—have failed with it. Remember, there is still no obvious alternative government.

A lot of it comes down to style and tone. The Prime Minister is not going to make a dramatic U-turn, dismiss her Chancellor or anything like it, and in the longer term some of the Government's measures —such as on training — will probably pay off. But it can no longer count so easily on being given the benefit of the doubt. It will have to try harder to keep people with it.

Meanwhile, it would help if the Government did not do silly things. Harold Wilson once said that one of the reasons why he was glad he had resigned as Prime Minister was that he no longer had to go through the annual round of the public expenditure review culminating in cuts in foreign aid and increases in prescription charges. When you reached that stage, it was the beginning of the end.

Economic theory, a fine servant and dreadful master

For Mrs Thatcher it is nothing like that. Yet for a Tory Government to get into a row about foreign aid, and quite possibly to be about to serve notice of leaving Unesco, just when the whole country has become stirred by the famine in Ethiopia, is almost beyond belief. The sums involved are miniscule, the damage to the Government's reputation appalling. Does nobody ever learn — anything?

The climate of national opinion takes a long time to change fundamentally, but we may be at a turning point.

Lombard

Confusion over energy policy

By Ian Hargreaves

BACK IN the days when Nigel Lawson was Energy Secretary, he had a favourite game, which consisted of turning up at energy conferences to give speeches entitled "UK energy policy" and then announcing that energy policy, in any sense his audience understood the concept, did not exist.

A nice variant upon the Emperor's Clothes Fairytale, this showstopper enabled Mr Lawson to capture attention for his central message that government should not be in the business of managing the energy market. Government's only legitimate concern, he argued, is to create a framework within which market forces would ensure that energy is produced and consumed with maximum efficiency.

The key text from the Lawson energy canon is a speech he gave in June 1982 at Churchill College, Cambridge. It remains essential reading since although Mr Lawson has been replaced by his political opposite Mr Peter Walker, the Chancellor's ideas still hold considerable sway within the department.

It happens to be the case that Mr Walker, for different reasons, also shuns energy policy. Since taking office 17 months ago he has not made a major speech on the subject.

Mr Walker's mistrust of energy policy is as pragmatic as Mr Lawson's is ideological. Mr Walker sees his present job as defeating Mr Scargill and resisting the Treasury's appetite for even higher gas and electricity prices.

The result is confusion. No one in the Department of Energy today, one suspects, could produce a one-page summary of government energy policy. This is because those principles of the Lawson approach still important to departmental thinking—economic pricing of energy, for example, or the need to expose gas and electricity to more competition —are of marginal concern to Mr Walker.

This confusion is illustrated in the department's eccentric behaviour over forecasts and projections, which Mr Lawson disliked because he thought they smacked of central planning, even though in his Cambridge speech he rightly acknowledged their role in "raising questions about the coherence of policy."

The department has not issued any projections of energy supply and demand since 1979, apart from its partial and vague submissions to the Sizewell B nuclear power station inquiry. Britain and Germany are the only members of the International Energy Agency which refuse to make such projections.

Although it would not do to overstate the importance of guessing the future, equally there is little sense in Government pretending it can avoid making any judgments about the relative future position of the main fuels. Decisions on Sizewell, on gas imports from Norway, and on gas and electricity prices rest upon such analysis.

The market place cannot perform this function unaided because the energy market is dominated by monopolies in coal, gas and electricity. Mr Lawson set out to increase competition in two of these sectors in the Oil and Gas Enterprise Act and the Energy Act, but both measures have failed. There are no takers for private sector power stations or for bulk gas deals which bypass British Gas.

That does not necessarily mean privatisation is the wrong policy. But it does suggest that Government should recognise that for the foreseeable future it will have to make investment and pricing decisions and that to do so it must make a best guess about the future. If it makes guesses, why should they be kept secret?

Apart from Sizewell, Norwegian gas and prices, these questions are crucial for the coal strike. On what basis does the Coal Board now, in its spokesman's words, "guarantee" output will not fall below 100m tonnes a year? Since the statement is not defensible in economic terms, it must be assumed the confidence is political. In which case, small wonder the miners do not believe it.

The Government does not know whether it is pursuing market solutions or a planned energy economy (ie, a Plan for Coal) or a mixture of the two. This is why Britain needs an energy policy, even if we prefer to call it a framework.

Letters to the Editor

Incredible drift

From Mr G. Strang, MP

Sir,—It was surprising to see that distinguished commentator John Lloyd observing (November 13) that the number of miners who have gone back to work "make the strategy on which the Government now relies — a continuous drift back ultimately breaking the 36-week-old strike — credible for the first time." The National Coal Board figures he quoted showed that in the four areas, Scotland, North East, Yorkshire and South Wales (accounting for over half Britain's miners) the proportion of miners at work had reached 1.6 per cent.

The numbers returning to work come nowhere near that needed to alter one of the fundamentals of this dispute. The strike will end only as a result of a negotiated settlement between the National Union of Mineworkers and the NCB. The question is how much damage will be done to the nation before the Government accepts that?

Gavin Strang.
House of Commons, SW1.

Paying for education

From Mr W. Wood

Sir,—I refer to the report (November 13) that better-off families ie those with "residual incomes" £20,000 per year or more, will be expected to pay £725 a year more for their children's higher education from the autumn of next year. Hidden in the text is the fact that "residual income" is pre-tax. Thus, it seems that those with post-tax and NI incomes of £13,700 (married, no other allowances) will have to pay an extra £725 per child—and I doubt that their tax reductions next April will amount to 5 per cent. Of course, for those not able to take advantage of covenants the post-tax increase will be considerably more than 5 per cent of their actual residual income.

W. F. N. Wood.
1, Bartlemy Road,
Newbury, Berks.

North Sea gas strategy

From Mr G. Mackay.

Sir,—Fay Gjester's article (November 8) on Norwegian energy strategy raises some key issues regarding the proposed Sleipner gas deal. One very disappointing feature of the Sleipner deadlock is the evident lack of interest from the UK side in long term co-operation with Norway in developing the North Sea resources.

There are many aspects on which the two countries operate, to mutual advantage, particularly in developing the smaller, high cost gas and oil fields. It is important for both countries to establish an indigenous technical capability, so that domestic firms can compete successfully with the Americans and others both in the North Sea and elsewhere in the world. Examples are offshore gas production and liquefaction, underwater production systems and deepwater drilling. If both countries go their own way, both will struggle to compete in key sectors of the offshore industry.

The Sleipner field is an excellent opportunity for co-operation. The Norwegians have offered the UK fair and attractive terms, which should have been accepted many months ago. It is very regrettable that the UK Department of Energy and the Treasury should pay more attention to the partisan interests of certain oil companies than to the long term interests of the UK energy supply and the needs of the consumers.

The Norwegian authorities are undoubtedly very disappointed with the continued wrangling over Sleipner. If they pull out and develop other fields, as Fay Gjester suggests, it would be to the net loss of the UK. More worryingly, however, it could be a major setback to any future co-operation in the North Sea.

G. A. Mackay.
Balloan House,
Inverness, Scotland.

Rate capped councils

From the Leader, Sheffield City Council and Chairman, Local Government Campaign Unit

Sir,—I feel it is important to clear up any misunderstanding or speculation that may have arisen concerning a story (November 14) about local authority loan repayments to City financial institutions.

The rate capped councils' intention is not to reach a position of putting at risk the arrangements which have secured excellent working relationships between financial institutions at home and abroad and Britain's local authorities. This applies to interest repayments and principal.

Local councils have for a long period offered the greatest security of its kind in the world.

What was said regarding the desire of councils to inform banks and institutions about the situation next year arose from wanting to give them a clear picture rather than them reading the situation from individual statements or further speculation.

Our differences are with central government and it is for Ministers to consider their responsibilities rather than the councils initiating difficulties in this regard.

David Blunkett,
3rd Floor,
5-7 Tavistock Place, W.C.1.

Rationale for deterrence

From the Vice-President, East Midlands Area, Young Conservatives

Sir,—Mr Johnson (November 11) of "Tories Against Cruise and Trident" (a group which has been denounced as a "CND front" by the Conservative Party on numerous occasions) is mistaken in believing that an independent nuclear deterrent indicates any lack of trust in Nato.

The rationale behind an independent deterrent was first put forward by Denis Healey in 1964 when the incoming Labour Government decided to continue the Polaris programme. As he said: "If you are inside an alliance you increase the deterrent to the other side enormously *if* there is more than one centre of decision for the first use of nuclear weapons."

Thus, although Trident, as a weapon system, is assigned to Nato, control still rests with the United Kingdom. If we were to relinquish our nuclear weapons and remove all nuclear bases—as TACT advocates—then this is far more likely to cause a split within Nato than our decision to purchase Trident.

P. S. Mercer.
Cedar Lawns,
Church Street,
Burbage,
Hinckley, Leics.

Pirate radio enjoyed

From Mr R. Russell.

Sir,—I refer to your report (November 9) on "pirate" radio. I think it is a great shame that so-called pirate radio stations are being hounded in a misguided attempt to stamp them out.

I have not heard Radio Jackie as it is London based, but there are a few stations operating in this area. None is aimed at commercial viability, in fact the most popular one simply advertises the local drugs clinic, presumably a free advert anyway. The programs of music and chat are delivered in a refreshingly natural, entertaining and inoffensive way without the childish inanities so often forced on us by BBC and IBA stations and with a much wider range of music much of which would otherwise never be heard.

The latest purge on "pirate" radio appears to be instigated by commercial stations who seem to fear loss of audience and therefore revenue; perhaps they should consider why so many people prefer to listen to "pirate" radio. The obvious answer is that when a choice is available the one that best suits the consumer will be selected—therefore "pirate" radio.

There is a very strong case for making local radio free of restrictions so that amateur groups can broadcast entertainment and community information for those who wish to listen.

R. K. Russell.
Lindisfarne.
Sandfield Park, Liverpool.

Exchange control

From Mr K. Ransley.

Sir,—I read your article "NUM funds elude sequestrators" (November 10) with interest.

It is worth reflecting that the very legislation introduced so shortly after the present Government was elected to power initially, the abolition of all exchange control regulations, has enabled Mr Scargill and his union to send funds out of the United Kingdom to evade the due process of the law.

How much now for the cries of the Labour Party who were so vociferous at the time?

Ken Ransley.
2, Brownelow Copse,
Chatham, Kent.

Nipped in the bud

From Mr J. Stockwin

Sir,—Robin Lane Fox (November 14) states: "the ginkgo is not a Japanese tree. It is merely cursed with a Japanese name." He may be interested to know that the contemporary Japanese word for "ginkgo" (or "gingko as it is also spelled in English), is "ginnan," a name much easier on the ear. "Gingko" is presumably derived from "ginkyo," which appears to be simply an erroneous way of pronouncing the characters for "ginnan." The characters literally mean "silver apricot," but the character for "apricot" is sometimes pronounced "kyo" and sometimes "an" (or in this case "man"), hence the original confusion. A recent edition of *Kofien*, the Japanese equivalent of the *Shorter Oxford Dictionary*, does not include "ginkyo" at all. To make things more confusing, Japanese sometimes also use the word "icho" for the same tree.

J. A. A. Stockwin,
Nissan Institute of Japanese Studies,
1, Church Walk, Oxford.

FINANCIAL TIMES

Friday November 16 1984

UK rejects new bid for cheap Atlantic air fares

By Lynton McLain in London

THE UK Government has rejected a second attempt by British Airways and several U.S. airlines to launch cheap, transatlantic fares, available this time for short periods before Christmas.

The decision continues the impasse between the UK and U.S. over transatlantic air fares. The two governments have been locked in disagreement over UK fears of anti-trust action in the U.S. against UK airlines offering cheap fares since Laker Airways collapsed nearly three years ago.

The UK's latest rejection of cheap fares follows its refusal to allow major airlines to offer cheap tickets for sale from last month for the entire winter period.

BA originally wanted to offer a £259 ($329) return fare between London and New York for use from November 1 to March. The fare was £1 more than that offered by Virgin Atlantic Airways, the newcomer on the north Atlantic route this summer.

Virgin complained to the Government in August that the BA fare and others from U.S. airlines such as Pan Am, TWA and American, was "predatory" and designed to drive Virgin out of business.

The complaint came as the UK Government was anxiously awaiting the outcome of a U.S. Justice Department investigation into allegations that BA and other airlines had engaged in price fixing and predatory actions against Laker Airways. Laker collapsed in February 1982.

Mr Christopher Morris, of Touche Ross accountants, the Laker liquidator, filed a civil suit with similar allegations against the airlines.

Virgin Atlantic has been only "marginally profitable at the operating level," since starting services on June 22 with one Boeing 747 between Gatwick and Newark, New Jersey, Mr Colin Rance, chief exective of the airline, said yesterday. The airline will have lost money when the costs of launching the service are included.

This is why the UK Government is acutely sensitive to the possibility of Virgin Atlantic becoming a second Laker, collapsing in the face of intense competition from its larger rivals.

Virgin started its £16 single fare service between Maastricht, in The Netherlands, and the UK yesterday in an attempt to draw more passengers from Europe for its Atlantic service.

Talks between specialist aviation civil servants in the U.S. and UK, including officials from the U.S. Justice Department, have made no progress.

Italy may ease curbs on capital flows

ITALY may follow this week's move by France to ease restrictions on capital flows, the Treasury Ministry said yesterday, AP-DJ reports from Rome.

Sig Giovanni Goria, Treasury Minister, said that he favoured a "prudent" relaxation of exchange controls.

Italy has imposed controls on capital outflow since the currency crises of the mid-1970s and only slowly began to relax them last year, increasing the amount of money Italians may export annually and allowing widespread use of credit cards outside Italy.

Italian residents seeking to invest in foreign securities still must place a non-interest-bearing deposit, equivalent to 50 per cent of the value of the investment, with the Bank of Italy for the duration of the investment. Companies must seek foreign financing for both export and import operations where payment is due within a year.

The EEC has pressed Italy to remove its exchange controls.

U.S. to spell out arms talks plan to Moscow

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE U.S. will soon supply the Soviet Union with further details of President Ronald Reagan's proposal for resuming arms control talks under a single "umbrella," State Department officials said in Washington yesterday.

"We are prepared to move ahead as soon as possible," said Mr Larry Speakes, the White House spokesman. He said that the details of the idea had not been given to the Soviet Union and that the Administration would like the opportunity to do so.

Moscow has asked the U.S. to spell out the unprecedented proposal more clearly before it makes a definitive response, a senior Soviet embassy official said in Washington.

Among other things, he said, the Soviet side wanted to know where and at what level new talks might be held; where the U.S. thought they might lead and what issues would be discussed first.

The "umbrella" concept, first proposed by Mr Reagan in his speech to the United Nations on September 24, is seen in Washington as a way of resuming contacts without first trying to resurrect the stalled Geneva talks on strategic and intermediate missiles, which Moscow suspended last year.

Mr Speakes said yesterday that the U.S. still hoped that resumed dialogue would "look towards the possibility" of renewing the strategic (Start) and intermediate range (INF) talks.

The key, however, was a broad exchange under the umbrella proposal, in which relationships between offensive and defensive systems could also be discussed.

White House officials say that the umbrella talks should be across the board and include six areas: strategic intercontinental missiles, intermediate range missiles in Europe, space weapons, chemical weapons, confidence building measures to reduce the risk of surprise attack, and conventional forces in Europe.

Patrick Cockburn in Moscow writes: diplomats say there is little sign that serious exchanges between the Soviet Union and the U.S. are likely to start in the near future.

It is clear, however, that Soviet leaders are interested in knowing whether the more conciliatory tone on East-West relations employed by President Reagan during his election campaign will continue

● Mr George Shultz has agreed to stay on as Secretary of State in the second Reagan Administration at the President's request, the State Department announced yesterday.

The announcement had been widely expected in Washington, given that Mr Shultz has been showing increasing self-confidence and Mr Reagan has made it clear he wants to keep his "winning team" in place.

How long the 63-year-old Mr Shultz will stay, however, is another matter. While he is expected to stay on for at least another year, he is thought unlikely to serve the full four years of Mr Reagan's term.

At least one reason why Mr Shultz wanted to stay is thought to be to prevent the State Department falling prey to right-wing hardliners. He also has hopes of playing a leading role in the second Reagan Administration as "supremo" of a new round of arms control talks.

Telecom sale prospects aided by Lawson optimism on rates

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

MR NIGEL LAWSON, the UK Chancellor of the Exchequer, gave a further strong hint yesterday that interest rates in Britain are set to come down.

In an evident attempt to encourage financial markets ahead of the flotation of the state-owned British Telecom later this month, the Chancellor told parliament that interest rates were "set to go lower," in spite of the effects of the miners' strike.

The Government is due to announce today the price and terms of the Telecom share sale, and it is of the utmost importance to ministers that it should not be a flop.

Mr Lawson's remarks, in the winding-up debate on the Queen's Speech on Government legislation plans, gave some encouragement to the markets, with a firming of gilt-edged stock prices towards the end of the day and some fall in money market interest rates. The three-month interbank rate fell 1/16 of a point to just under 9⅞ per cent.

On past form this would suggest a further cut in banks' base lending rates by ¼ to ½ percentage point from the present 10 per cent. Market optimism was helped yesterday by revised figures from the Bank of England, which showed that money supply in October was still within its target range although near the top of it.

However, the indications yesterday were that the authorities' strategy may be to hold back for a while to keep expectations running high until the Telecom flotation is out of the way.

In a slightly longer perspective, the authorities hope that a further cut in interest rates will help prevent the economic recovery from flagging, by encouraging companies to keep their investment plans moving ahead at a brisk pace.

Separate figures published by the Department of Trade and Industry yesterday showed that manufacturers' investment, including leased assets, rose 2 per cent in real terms between the second and third quarters of this year.

This suggests some slowing in investment compared with the rapid pace of increase at the end of 1983 and the beginning of this year.

In the first nine months of this year, manufacturers' investment was 15 per cent higher in real terms than in the corresponding period of 1983.

Total investment, including the construction, distribution and financial industries, rose 13 per cent over the same period but showed no change between the second and third quarters of this year.

Figures for companies' stocks, also released yesterday, suggest that the economy may be helped by some slight re-stocking in the third quarter after a six-month period in which stocks have been quite sharply reduced.

Britain's steel output rebounds despite miners' strike losses

BY IAN RODGER IN LONDON

STEEL PRODUCTION in Britain averaged 323,700 tonnes a week in October, the highest level since February, before the miner's strike began.

Also, steel output in the first 10 months of the year is slightly ahead of last year's levels despite the loss of the important coal industry market, according to the latest production statistics covering both the public and private sectors.

The mining industry normally accounts for about 8 per cent of the total consumption of UK steel through the National Coal Board's direct purchases of structural steel and purchases from other companies of heavy equipment.

The British Steel Corporation (BSC), which accounts for most of Britain's steel output, said the increase in production this year was due to a widespread improvement in markets other than coal.

Also, at the beginning of the miners' strike, when BSC was obliged to reduce production because of disruptions in raw material supplies caused by picketing, it withdrew from some export markets rather than reduce deliveries to home market customers. Since the summer, BSC has been able to increase production and its export sales.

Total UK production in October was 4 per cent higher than in September and 7.1 per cent higher than in October 1983.

On a regional basis, output in the first 10 months of this year is up 5.6 per cent in Scotland and 2.2 per cent in South Wales, reflecting better demand for flat products. Production in Northern England, which consists mainly of plate, pipe and structural steels made on Teesside, was up 5.8 per cent.

By contrast, output in the Yorkshire and Humberside area was down 5.3 per cent because of disruptions and the loss of the mining industry market.

EEC may curb scrap metal exports, Page 2

Dow drops Morton Thiokol plans

BY WILLIAM HALL IN NEW YORK

DOW CHEMICAL, the second biggest U.S. chemicals company, appears to have dropped plans to increase its stake in Morton Thiokol, a special chemicals maker but is buying Morton's consumer products operation in a deal worth around $250m.

Dow, which last week announced plans to increase its holding in Morton from 8.23 to about 15 per cent, is buying the Texize division for $131m cash plus 1.4m Morton Thiokol shares held by Dow and worth about $120m.

Texize, which manufactures household products, had sales of $259m and operating profits of $27m in its last financial year. It accounted for 12 per cent of Morton Thiokol's profits and will roughly double Dow's consumer products operations.

Morton Thiokol approached Dow earlier this week with the proposal. Mr Charles S. Locke, Morton's chairman, said yesterday he was pleased that Dow's interest in Morton Thiokol would translate into a transaction that benefited both.

"While the prospects of Texize are bright, its divestiture will allow us to concentrate on our other larger businesses, to the long-term advantage of our stockholder," Mr Locke said.

He looked forward to a continuing relationship with Dow Chemical as a supplier. Mr Paul Oreffice, Dow's chief executive, said yesterday that the acquisition will "significantly expand Dow Chemical's special products businesses in line with Dow Chemical's stated strategic plan."

Japanese facing 'dismal' VCR sales in Europe

By Robert Cottrell in Tokyo

SALES of video cassette recorders, the Japanese electronics industry's major consumer product, now appear to have peaked.

Industry analysts in Tokyo say poor domestic sales in September and October, coupled with the sharp decline in demand from most European countries and an easing in U.S. demand, mean that Japan's VCR manufacturers face a decline in the sector's rate of growth.

The Japan Association of Electronic Equipment Manufacturers recently revised down its estimate for domestic VCR production this year from 27m to 25.7m units.

Mr Peter Tasker, an analyst with stockbrokers Grieveson Grant, estimates that an average 12-15 per cent decline in VCR unit prices means that the year-on-year growth in output value for 1984 will be no more than 20 per cent.

Japanese manufacturers must also contend next year with competition from South Korean manufacturers, who have so far only been allowed to sell their products domestically under the terms of technology-transfer deals made with Japanese licensers. The no-export clauses expire in March.

Mr Tasker estimates that South Korea will produce about 2m units next year, "the bulk of it for export to the U.S."

Research by stockbrokers Jardine Fleming shows that an anticipated peaking of VCR sales has already been feeding through to component suppliers. Mr Mike Connors, a Jardine analyst, reports that parts orders for Hosiden Electronics, an important supplier of components to VCR makers in western Japan, have been "flat" since July. The company "takes the prospect of production cuts in the industry in the first quarter of 1985 for granted."

Japan's VCR shipments to Europe are limited by a quota-fixing arrangement with the EEC. This year, the Japanese are operating within a ceiling of 3.95m finished unit exports.

The EEC wants to lower next year's ceiling because of falling demand; it estimates total 1984 sales in Community countries at 4.6m.

Sales within Japan itself had remained relatively buoyant until late this summer, having already risen 56.1 per cent in 1983 over 1982; and 51.4 per cent in 1982 over 1981. But the domestic market faltered in September, when year-on-year volume declined by 6.3 per cent – the first decline in more than five years – and it rose by only 3 per cent in October.

Shipments to the U.S. in June, July and August were running at double 1983 levels; but month-on-month levels showed a plateau, with totals of 1.02m, 1.14m and 1.05m respectively. U.S. sales accounted for half Japan's VCR output in July and August this year.

Preliminary figures for the industry's October export performance, released this week, confirm the impression of growth, but at a reduced rate.

Mine union reaffirms hard line

Continued from Page 1

Arthur Scargill, the union's president, said that Mr Stan Orme, the energy spokesman of the opposition Labour Party, was seeking to set up new talks with the board.

It is understood, however, that Mr Orme's efforts have not met with success. Labour's leadership was told on Wednesday night that the "door was firmly closed" by the Government and the NCB on further negotiations.

In the House of Commons, Mrs Margaret Thatcher, the Prime Minister, taunted Mr Neil Kinnock, the Labour leader, for "not having the guts to face striking miners and condemn picket-line violence" as had Mr Norman Willis, the general secretary of the Trades Union Congress (TUC).

Mr Willis received a rowdy reception when he addressed South Wales miners on Tuesday night and had a hangman's noose dangled in front of him.

● The NCB's recent deal with the pit supervisors' union Nacods appeared in some jeopardy last night after the union accused the board of reneging on the agreement.

Mr Peter McNestry, Nacods general secretary, said that three Nacods members in Scotland had been told they would not be paid if they refused to cross hostile picket lines – the issue at the heart of the original dispute. A meeting has been called for today to attempt to settle the matter.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	12	54	Dubrovnik	R	13	55	Malaga	S	19	66	Salzburg	F	4	39
Akrotiri	F	19	66	Faro	—	—	—	Malta	C	21	70	Seoul	F	13	55
Algiers	C	15	59	Florence	C	15	59	Manila	S	33	91	Singapore	C	29	84
Amsterdam	C	4	39	Frankfurt	C	3	37	Miami	C	22	72	Stockholm	S	5	41
Athens	F	14	57	Funchal	F	19	66	Milan	R	6	43	Strasbourg	R	4	39
Bahrain	F	29	84	Geneva	R	8	46	Moscow	S	-5	23	Sydney	C	21	70
Bangkok	C	34	93	Gibraltar	C	17	63	Munich	S	1	34	Tampa	S	28	82
Barcelona	S	14	57	Guernsey	F	9	48	Nairobi	F	21	70	Tangier	C	16	61
Beirut	S	21	70	Helsinki	S	4	39	Naples	F	16	61	Tehran	—	—	—
Belgrade	C	1	34	H. Kong	F	26	79	New Delhi	S	26	79	Tel Aviv	S	23	73
Berlin	S	2	36	Innsbruck	F	12	54	New York	C	12	54	Tenerife	C	20	68
Biarritz	F	12	54	Inverness	R	7	45	Nice	F	14	57	Tokyo	C	11	52
Blackpool	Fg	6	43	Istanbul	F	10	50	Oporto	R	13	55	Toronto	C	8	46
Bordeaux	F	11	52	Jersey	S	9	48	Oslo	C	0	32	Tunis	F	19	66
Brussels	R	9	48	Jo'burg	C	13	55	Paris	C	11	52	Valencia	F	14	57
Budapest	C	3	37	Las Palmas	C	20	68	Prague	F	3	37	Venice	R	7	45
B. Aires	F	24	75	Lima	F	21	70	Reykjavik	R	5	41	Vienna	C	2	36
Cairo	S	24	75	Lisbon	C	15	59	Rio de J'o	C	24	75	Warsaw	S	0	32
Cape Town	S	23	73	Locarno	R	6	43	Rome	C	17	63	Zurich	C	5	41
Caracas	—	—	—	London	S	8	46								
Casablanca	F	20	68	Los Angeles	R	18	64								
Copenhagen	S	6	43	Luxembourg	D	5	41								
Corfu	C	15	59	Madrid	C	10	50								
Dublin	S	5	41	Majorca	—	—	—								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Banks' capital ratios

Continued from Page 1

to meet unusual or unexpected liquidity needs."

The Chicago bank has also agreed to institute a number of steps to improve its management of troubled loans including regular review by the board of directors of loans of more than $10m.

BankAmerica has also agreed to modify its procedure for monitoring loan-loss provisions and large problem credits and "enhance its compliance with certain regulator requirements."

Mr Prussia said: "Assuming continued moderate economic growth, meeting our obligations under this agreement is not expected to have any material adverse effect on our operations or financial results."

Separately, First Chicago revealed that the SEC is investigating its loan charge-offs since January 1982. In particular the SEC is looking at the timing and amounts of loan charge-offs and additions to loan loss-reserves.

First Chicago also said the SEC was investigating the recognition of income with respect to certain exchanges of non-performing loans, and whether improper insider trading of First Chicago securities occurred in connection with its third quarter results.

THE LEX COLUMN

Leads and lags at Plessey

A lower profit from Plessey is something the market has not been forced to contemplate for quite a while. For years it has more or less been assumed that perpetual growth could be financed out of current cash flow.

Yesterday the share price had to cope with two unpalatable novelties, slipping 16p to 210p. Second-quarter profits of £38.7m before tax were about £4m shy of their 1983 level, and Plessey's expenditure programme in the first six months had run ahead of cash generation by more than £113m.

It is arguable that the market should not have been worried by either of these figures.

For a start, estimating Plessey's profits on a quarterly basis is not much better than a lottery, given its leaning towards lumpy public sector contracts. On this occasion, most of the shortfall can be traced to the sudden drying up of tactical radio sales to the Middle East and Africa, a line of business which has generally given Plessey the attractive combination of short lead times and high margins.

Underlying this disruption, Plessey's trading figures show most of the progress that the market would want to see. Even the rest of its military operations are showing sizable increases in orders – compared with last year – and there should be sufficient deliveries of radar equipment in the second half to keep profitability here on an even trend.

As for the cash outflow, it mainly represents virtuous efforts to invest in new product areas. Just as System X is replacing TXE4 production, much of the rest of Plessey's product portfolio is having to be replaced – all rather visibly at the same time.

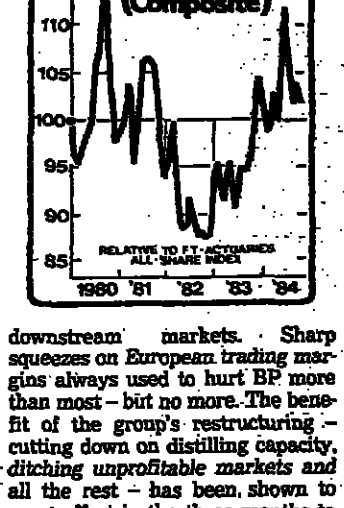
Rapidly rising profits in microelectronics already show that Plessey can make this pay off, but the amount of risk on show to investors has clearly increased.

That ought to be a good thing. Plessey's policy of determined investment is at any rate on the side of the angels. There could, however, be a year or two of rather static earnings before the returns roll in.

BP

Seasoned watchers of the oil sector were able to draw a vicarious thrill from BP's third-quarter results yesterday, just imagining how bad they might have been if the old BP had had to confront today's downstream markets. Sharp squeezes on European trading margins always used to hurt BP more than most – but no more. The benefit of the group's restructuring – cutting down on distilling capacity, ditching unprofitable markets and all the rest – has been shown to great effect in the three months to September, keeping downstream operations profitable to the tune of £10m. With the strong dollar compensating as expected for lower upstream production as well as lower crude prices, historic cost net income has emerged at £383m: a useful step ahead of the first two quarters and well ahead of most market expectations.

Many of the other striking features of the third quarter look a little more ephemeral, including the dip in UK chemical profits and a handy drop in the group's tax rate. The rise in interest charges similarly reflects the passing impact of borrowing by its Sohio subsidiary to fund its repurchase of its own shares; BP's robust cash flow should quickly remedy this and push net debt further down towards 35 per cent of shareholders' funds. Net income this year could reach £1.45bn to set the shares, at 490p, on a multiple barely over 6 times earnings. The prospective yield is 8.7 per cent.



Royal Insurance

After a period of alarming subsidence, Royal Insurance is starting to touch some firm ground as premium rates in U.S. commercial lines show signs of hardening. Though U.S. operating losses of £17.4m cut third-quarter pre-tax profits to £9.4m, Royal has pushed through quite hefty rate increases in commercial multiple peril insurance without losing premium volume while its market share is stabilising. In workers compensation, the market is squeaking even at tighter front-end terms, let alone rate increases, but the personal side is looking less bleak – and would now be making nice money – had Royal not forsaken the grubby North-East for the fleshpots of California.

Canada will stay perfectly bloody for a little while yet, though Royal is tackling the expenses side (as in the U.S.) and is hoping manfully that the virtues of premium increases will seep across the 49th Parallel. More interesting are UK personal lines, where higher rates are evident and could take a hold in the house buildings sector.

Earnings this year will be next to nothing, but Royal will no doubt find ways to justify another generous dividend. A mere 2p rise in the share to 300p yesterday may not have fully recognised that Royal should be well placed to ride a U.S. commercial lines recovery into real money.

Intnl. Signal

Lloyd's underwriters could well be unaware of the role played by ISC's manoeuvring engines in helping the space shuttle recover a couple of errant satellites earlier this week. For aside from its customers, the company has an abnormally low profile, except among those institutions whose enthusiasm has pushed its shares to an all-time high of 274p and its market capitalisation to a remarkable £374m.

The company is to an extent at fault in extending its natural reticence about militarily classified activities to more normal finance disclosure. Within the 51 per cent jump in interim pre-tax to $14.1m, for instance, it would scarcely hurt to sketch the contribution of the Marquardt acquisition in the U.S. Plainly, though, Marquardt will henceforth be of critical importance – not only in broadening the group away from its former Third World customer base, but also in raising it to at least second division status among suppliers to the Pentagon.

Potential contracts for bomb fuses, ramjets and cluster bombs could make for very large increases in turnover within the next three or four years. Meanwhile, current year profits could reach $39m, putting the shares on a multiple of around 20. If all goes smoothly – a big if, naturally – even that is scarcely expensive.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday November 16 1984

Walt Disney in red after exceptional $165m charges

BY PAUL TAYLOR IN NEW YORK

WALT DISNEY Productions, the U.S. entertainment group, has reported an unexpected $64m loss in its fiscal fourth quarter. The loss reflects a $165.96m pre-tax charge and appears to represent the first major "house-cleaning" move by a new management team which took over in September, ending months of bitter wrangling over control of the Disney empire.

The fourth-quarter charge includes a $112m write-down on the realisable value of Disney films and other television "properties" and $40m to cover the costs of abandoning certain projects under design or development for Disney's two U.S. theme parks, Walt Disney World and Disneyland.

In a joint statement, Mr Michael Eisner, chairman and chief executive, and Mr Frank Wells, president and chief operating officer, said: "We have thoroughly analysed and evaluated the company's assets and various options for growth in relation to newly defined corporate strategies and emerging business opportunities."

"We have concluded that efforts must immediately focus on the rejuvenation of our motion picture and television business, the roots of success of Walt Disney Productions. Further expansion of existing theme parks will continue."

The fourth-quarter charge was partially offset by a $68.4m tax gain resulting from a change in accounting practices on investment tax credits which will bring Disney into line with the rest of the U.S. entertainment industry.

The quarterly net loss, equivalent to $1.89 a share, compares with a $24.5m or 70 cents a share profit for the corresponding quarter last year. Disney said operating income increased, however, by 51 per cent to $86.77m in the quarter from $57.6m a year earlier on revenues which grew by 28 per cent from $363m to $463.2m.

For the full fiscal year to September 30 Disney posted a 5 per cent increase in net income to $97.8m or $2.73 a share, against $93.16m or $2.70 a share a year earlier. Revenues increased by 27 per cent to $1.655bn from $1.31bn. Operating income rose by 32 per cent to $291m from $220m.

Woolworth ahead 30%

BY OUR FINANCIAL STAFF

F.W. WOOLWORTH, the U.S. stores group, yesterday reported increased profits growth in the third quarter, with improved gross margins more than offsetting a slight rise in costs as a percentage of sales.

Net profits for the three months ended October 31 rose 30 per cent from $20m or 65 cents a share to $26m or 82 cents. In the second quarter, profits had risen 19 per cent.

The latest profits lift the nine-month return to $49m or $1.54 a share from $37m or $1.16. Sales rose from $3.76bn to $3.97bn in the nine months, with $1.4bn ($1.35bn) in the third quarter.

All product divisions reported sales increases in dollar terms in the quarter, except Woolworth in West Germany where a slight sales increase in D-Marks was more than offset by a sharp decline in the Germany currency.

Domestic sales rose 7.3 per cent on the quarter, while foreign sales were down 1.1 per cent. Foreign sales would have increased 6.2 per cent had they been converted into dollars at 1983 exchange rates.

Elf to step up investment programme

By Paul Betts in Paris

ELF-AQUITAINE, the French state-controlled oil group, is to double its annual investment in biotechnology to about FFr 200m ($22m).

M Michel Pecqueur, chairman said Elf had decided to regroup its biotechnology operations under two subsidiaries. Sanofi, a 60 per cent owned health care and cosmetic subsidiary, will take charge of all of Elf's biotechnology operations in the agricultural and health care markets.

Atochem, Elf's new heavy chemicals subsidiary, will take control of all the biotechnology operations related to industrial markets, with products ranging from plastic additives to glues.

As a preliminary step in the regrouping, the Sanofi subsidiary will absorb Rousselot, the leading French gelatine, protein and glue producer, 67 per cent owned by Elf.

The merger will involve an offer of two Sanofi shares for each Rousselot share, currently trading at around FFr 940 on the Paris Bourse.

Sanofi shares stand at FFr 540 each, putting an overall value of more than FFr 625m on the transaction.

After the operation, which will give Sanofi full control of Rousselot, Elf's stake in Sanofi is expected to rise to around 62 per cent.

M Pecqueur said the oil group had considered setting up an entirely new subsidiary, which would have grouped all the group's various biotechnology activities together and which would have been autonomous from Sanofi and Atochem.

Elf, however, preferred to split its various biotechnology assets (which according to M Pecqueur accounted for about FFr 10bn in annual group sales) between Sanofi and Atochem to maintain the operation closer to their respective markets.

CAPITAL RATIOS BOOSTED TO PROVIDE CUSHION AGAINST LOAN LOSSES

U.S. regulators get tough with the banks

BY WILLIAM HALL AND PAUL TAYLOR IN NEW YORK

BANKAMERICA's surprise announcement that it has been forced to increase the capital ratio of Bank of America, its major bank subsidiary, reflects the determination of U.S. bank regulators to be seen to be getting tougher.

The collapse of Penn Square, the near failure of Continental Illinois and the strains apparent throughout the whole of the U.S. banking industry over the last few years have led to criticism that the industry's regulators have been too lax in the past.

Over the past six months there have been growing signals that U.S. bank examiners were finally subjecting their flock to more rigourous scrutiny and control.

Yesterday First Chicago announced it had agreed to raise the capital ratio at its banking subsidiary to 6 per cent. The bank reported a substantial third-quarter loss after bank regulators encouraged it to take a $279m write-off against troubled loans. Several other regional banks with exposure in the troubled energy sector have reported sharply higher provisions after regulators' prompting.

Third-quarter results were marked by substantially higher loan write-offs, additions to reserves and moves by the bank majors to bolster capital ratios to reflect the continued deterioration in the quality of their loan portfolios.

At the same time the bank regulators, especially Mr C. Todd Conover, the Comptroller of the Currency, whose office oversees the 4,700 national banks in the U.S., have become increasingly vociferous about the need for banks to raise their capital levels – an important "cushion" against future loan losses.

For years U.S. bank regulators have talked vaguely about the need for banks to be strongly capitalised, but until recently have shied away from setting minimum capital ratios.

In December 1981, for the first time, they published minimum capital "guidelines" which established a 5 per cent minimum ratio of primary capital to total assets for the 17 multinational U.S.-based banking organisations.

Last summer, following the run on Continental Illinois, the regulators took a major step towards turning their existing guidelines into hard-and-fast minimum capital ratios. They proposed a minimum ratio of primary capital to total assets of 5.5 per cent and a total capital to assets requirement of 6 per cent. The new regulations, which are expected to be in place by the end of the year, apply to the 17 biggest U.S.-based banks and their parent holding companies.

When the comptroller announced the proposals, his office, which is responsible for roughly a third of America's 14,500 banks, said the new rule would mean that 151 of the banks it supervises would have to raise capital to meet the minimum primary requirement and an additional 200 would have to raise capital to meet the secondary capital rule.

Last month Mr Conover told bankers meeting in New York that this action would force national banks to add over $5bn in new capital over the next several years.

"We feel the higher capital is necessary because of the deterioration in the quality of loan portfolios," he said.

In response to the new pressure U.S. bank holding companies have already begun the painful task of raising additional capital at a time when their shares are often selling at a discount to book value – or by adding to loan loss reserves which reduce bank earnings which are already under pressure.

The primary capital – defined as shareholders' equity, preferred stock, loan loss reserves and convertible debt – of the 20 largest U.S. banks has been increased by $17.1bn to $54.1bn in the 30-month period between January 1 1982 and the end of June this year, according to Mr John McGillicuddy, chairman of Manufacturers Hanover.

Mr McGillicuddy, whose banking group has been one of the most active, lifting its primary capital ratio from 3.79 to 5.7 during this period, described the move as, incredible. Speaking last month in New York the bank chairman said: "What other industry can boast of increasing its capital by nearly 50 per cent in 30 months?"

While attention has focused on the improvement in the bank holding company ratios, yesterday's announcement from BankAmerica however, showed that the regulators are also taking a keen interest in the capital ratios of the banking units themselves, and, in certain cases, appear to be insisting on a higher primarily capital ratio than the proposed rule itself would require.

At Bank of America, which has $3.47bn in non-performing loans, equivalent to 4.16 per cent of total loans and the highest ratio among the 10 largest U.S. banks, the comptroller has insisted on a 6 per cent primary capital ratio by the end of 1986.

Bankers have, however, questioned whether higher capital ratios in themselves are necessary – or represent much of a safety net. As Mr Leland Prussia, chairman of BankAmerica and the bank unit itself, noted yesterday, "liquidity is viewed by many as at least as important a measure of capital resources – if not more important." He added: "We are, and always have been, very strong in this area. While maintaining appropriate capital ratios in both the bank and the holding company, we intend to continue in this mode."

Some bank analysts also query whether setting separate capital ratios for banks compared with their parent holding companies represents much more than a "window-dressing" attempt by the regulators. They noted yesterday that a banking group can easily adjust the capital ratio in a subsidiary by "down-streaming" or simply transferring capital from the parent to the operating unit.

Aside from setting higher capital ratios the regulators have also told Congressional investigators following the federally sponsored $4.5bn rescue of Continental Illinois that they have adopted a range of other measures including increased monitoring and more strict enforcement of their powers.

Significantly, the bank regulators have also signalled that they intend to use their powers to force banks to cut dividend payments if such action is considered necessary.

Sharp recovery for Tiger in quarter

BY OUR FINANCIAL STAFF

TIGER International, parent of the world's largest scheduled cargo airline, continued its recovery in the third quarter. At the net operating level there was a turnround from a loss of $33.2m or $1.85 a share, to a profit of $14.7m or 69 cents.

For the nine months there was an operating profit of $8.4m or 40 cents, against a $100.3m, or $5.81, loss last time.

However, the company warns that it may be required to write off "a significant" part of its investment in its wholly-owned offshoot, North American Car, as a result of revaluing the liquidation value of the North American fleet and resolving restructuring.

North American has been managed by part of General Electric Credit since the beginning of this year.

A $132m promissory note from Tiger has been pledged by North American to a group of bank lenders as security. The lenders assert that the note may be declared due any time Tiger has charged to discontinued operations $9.8m of accrued interest on the note.

The latest quarterly figures were before a $5.1m loss on discontinued operations partly offset by a $3.1m tax gain. A year earlier there had been a $29.4m loss on discontinued activities and a tax gain of $19.8m.

Revenue for the three months was up at $356.5m, from $311.8m.

Occidental drops deal

BY OUR FINANCIAL STAFF

OCCIDENTAL Petroleum, the U.S. energy conglomerate headed by Dr Armand Hammer, yesterday pulled out of its planned Arab Oxy joint venture, which was to have been an oil exploration and production company operating in the Middle East and the North Sea.

The venture would have been a privately held company owned 50 per cent by Occidental and 50 per cent by private investors outside the U.S., primarily in the Middle East. Occidental, however, is now terminating its offer to participate because of "the tightening of liquidity in the Middle East."

The plan to set up the new Bahrain-based company was announced in May. Arab Banking Corporation and Donaldson, Lufkin and Jenrette then began an offering to place 21.5m shares with private investors, and were to act as financial advisers.

Swedish group to buy Pierrel of Italy

By Kevin Done in Stockholm and Alan Friedman in Milan

FERMENTA, the Swedish biotechnology and fine chemicals company, is to acquire a majority holding in Pierrel, the Italian producer of chemicals, pharmaceuticals and consumer products.

It is negotiating the purchase of a 27 per cent stake from Bastogi, the Italian industrial holding group, and a further stake of about 50 per cent from Dirtrust, a Geneva-based holding company owned by the De Nora family.

It is understood that the final purchase price will be around $31m. Negotiations still have to be completed with one of Pierrel's main shareholders.

If the deal goes through, it will be the latest of a series of recent foreign purchases of Italian pharmaceuticals companies. Beecham of the UK has taken control of Zambeletti, while Glaxo has acquired Italchemi.

Pierrel had sales last year of $91m. Its main activities are in chemicals (30 per cent), pharmaceuticals (25 per cent) and consumer products such as toothpaste and hygiene products (35 per cent). It has a workforce of 1,600 and net profit last year totalled $1.5m.

The deal could virtually double the size of Fermenta, which expected sales this year to total about SKr400m ($47m) before it embarked on a series of acquisitions in Italy and the U.S.

Fermenta, one of the main biotechnology companies in Scandinavia, is chiefly a producer of base penicillin and other antibiotics. It account for about 10 per cent of the market for bulk penicillin, intermediate chemicals used in the manufacture of pharmaceuticals.

Formerly a division of Astra,, the Swedish pharmaceuticals group, it was bought by Mr Refaat Al-Sayed, an Egyptian entrepreneur in 1981. It was launched on the Swedish stock market during the summer when a share sale raised SKr 102m.

Mr Al-Sayed owns just under 50 per cent of the capital and 82 per cent of the votes. Electrolux, the Swedish household appliances group, holds around 20 per cent of the capital.

Some shares were placed recently in London for SKr 125m as part of the deal to buyt the Italian fine chemicals producer Pro-Chim Re.

Hapag-Lloyd expects to make a profit for 1984

BY RUPERT CORNWELL IN BONN

HAPAG-LLOYD, the leading West German shipping, transport and tourism group which has long been plagued by losses, yesterday reported that it would be back in the black for this year.

The company, which has pushed through a sweeping restructuring programme involving job losses and the sale of its air and sea freight forwarding activities, gave no precise figures. But a return to profitability, however, slim, would be a dramatic improvement from 1983, when losses reached DM 150m ($50.5m).

This reflected a direct cost to Hapag-Lloyd of DM 300m incurred by the cutback measures. At the same time its major shareholders, Dresdner Bank, Deutsche Bank and the Veritas investment trust, had to inject a further DM 287m into Hapag-Lloyd.

The group, which achieved a turnover of DM 3.9bn in 1983, has also moved out of bulk and tanker shipping. It confirmed yesterday that "no further losses will be incurred," thus ending a sequence of four years (with the exception of 1981) of deficits.

Apart from the rationalisation programme, Hapag-Lloyd attributed the improvement to the strength of the dollar against the D-mark, better capacity utilisation and more favourable freight rates.

Japan Assets Trust in agreed £53m bid for Anglo Scottish

BY ALEXANDER NICOLL IN LONDON

A DISPUTE over the fate of Anglo Scottish Investment Trust apparently ended yesterday with an unusual deal in which the much smaller Japan Assets Trust is making an agreed bid worth £53m ($66.78m).

A group of institutional shareholders, led by London and Manchester insurance group, recently blocked proposals for a reconstruction of the trust put forward by its managers, CS Investments. The group said the CS plans, involving the creation of a unit trust and two specialised investment trusts, did not give adequate value to Anglo Scottish shareholders.

The offer announced yesterday is the result of the dissident group's search for alternative plans.

It is the latest move in a current shake-up of the normally sleepy investment trust sector in which several institutions including London and Manchester have targeted trusts, seen by them as underperforming, for takeovers or investment policy changes.

An increasing number of takeover bids for investment trusts have taken the form of "disguised rights issues," in which the bidding company makes an issue of its own shares as consideration for the trust and, when successful, liquidates the target's portfolio and uses the proceeds for development of its own business.

A bid of this kind by one investment trust for another, however, is believed to be unprecedented. Japan Assets Trust, which currently has about £20m invested in small to medium-sized Japanese companies, will more than double this total by liquidating the Anglo Scottish portfolio of British and international stocks.

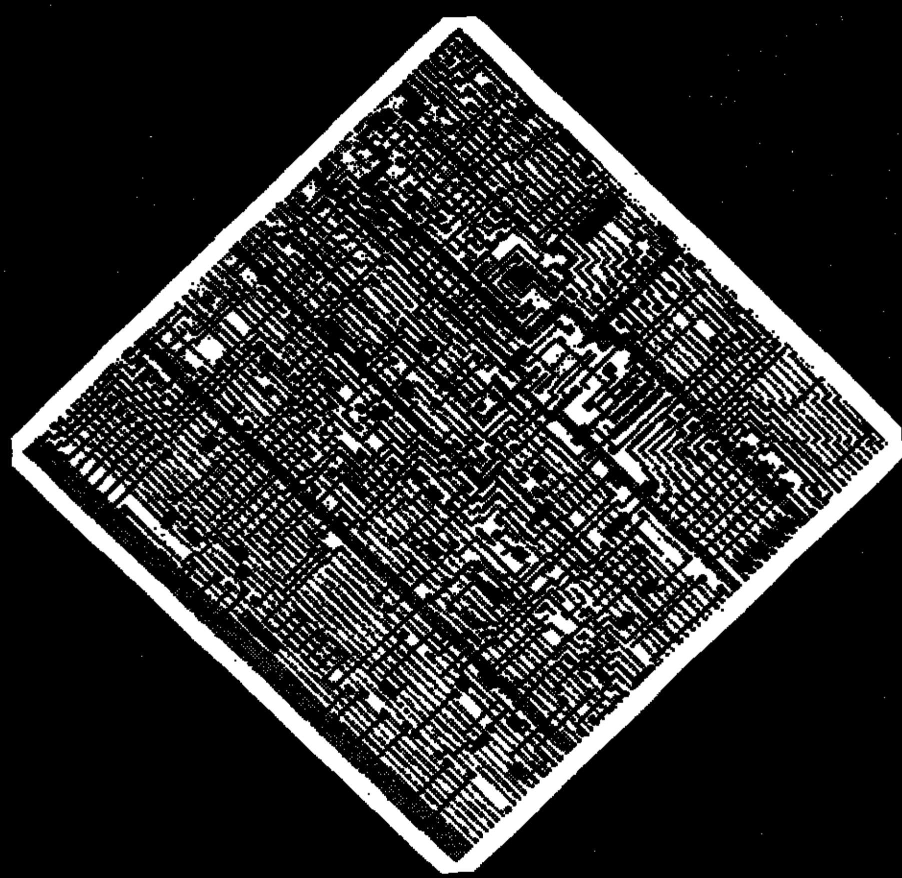
The complex deal was devised by County Bank, which suggested it to Ivory & Sime, the Edinburgh-based fund management group which manages Japan Assets.

Anglo Scottish shareholders will receive a mixture of ordinary shares, warrants, convertible loan stock and cash worth 101 per cent of its estimated net asset value. They may also opt for a cash alternative estimated at 158.5p, 98 per cent of net asset value.

Shareholders owning 57 per cent of Anglo Scottish have agreed to accept the offer. London and Manchester, with 8 per cent, said it was among them, and they were also believed to include Cambrian & General Securities, the UK investment arm of Wall Street arbitrageur Mr Ivan Boesky.

Mr Boesky's purchase of the Anglo Scottish stake from the Aspinall casino group had raised speculation that Cambrian might make a bid. But Cambrian, which has recorded extraordinary growth through its investments in U.S. special situation stocks – usually takeover targets – recently announced plans to expand with a rights issue.

THE BANK OF THE FUTURE



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INTL. COMPANIES & FINANCE

Brendan Keenan explains the downfall of a model state enterprise

Why Dublin let Irish Shipping sink

THE BOSSES of Ireland's state-owned industries are nervously assessing the impact of the government's unprecedented decision to allow one of their number to fold. The Irish cabinet, faced with possible bills of I£200m ($210m) to keep Irish Shipping afloat, decided instead to allow a provisional liquidator to be appointed.

Mr Alan Dukes, the minister for Finance, promised that all government guaranteed debts will be honoured, perhaps I£50m in all. That is still likely to leave the unsecured creditors getting no more than 40p in the pound from money they had lent to a state-owned firm. It is true that Irish Shipping's situation was unique, yet other state-owned companies, with external debts of around I£2bn, may have to reassure their bankers that they have nothing to fear.

The question of potential damage to Ireland's international credit rating, which has improved since the coalition government took office two years ago, exercised ministers as they pondered whether to allow Irish Shipping to sink. Their view, which leading Irish economists have endorsed, was that to alter the government's expenditure plans by pumping huge sums into a floundering company would have damaged Ireland's reputation even more than the liquidation.

Not surprisingly, a furious political row has followed, with Mr Charles Haughey, the oppositio nleader, describing the decision as "a shyster operation."

Irish Shipping was founded during World War Two, when the Irish state found itself neutral, isolated and without a merchant fleet of its own. Irish sailors braved the Atlantic and submarines in vessels that were sometimes un-seaworthy, picked up whereever they could be acquired to bring vital supplies of food and fuel to Ireland. After the war, the company developed into a modest commercial operation, with 15 consecutive years in profit, and was often held up as a model state enterprise.

The disastrous decisions which led to its collapse were taken without the knowledge of the government or, it seems, the full board. The company needed to renew its fleet and entered into nine long-term charter agreements, mostly with Hong Kong owners, in partnership with the Cardiff-based Reardon Smith Line.

The idea was that Irish Shipping would earn money on the charters and acquire a share i nthe ships when the charters

Mr Alan Dukes: promise to honour guaranteed debts

were completed. Instead, the world freight market collapsed in 1981 and the partners found themselves paying $15,000 a day for ships which were earning only a third of that.

Talks took place with the charterers early this year and the Government put in I£16m in a rescue package, in the hope of an early improvement in freight rates. This did not materialise and Mr Frank Belton, an accountant who is the Government's newly-appointed chairman, has calculated that, even on optimistic assumptions, the company would need more than I£140m up to 1989 and would still have debts of I£60m.

One intriguing question is the future of Irish Shipping's profitable subsidiary, Irish Continental Lines, which operates passenger services to Wales and France, and recently began a service between Belfast and Liverpool.

Mr Maurice Tempany, the provisional liquidator, says it will continue to trade, but it is assumed that it will eventually be sold as a going concern.

There will be strong pressure from the opposition and the trade unions for the Government to buy the company back into public ownership, and a figure of I£120m has been mentioned. The company could prove attractive to private interests, however, and the Government might find it hard to justify spending further taxpayers' money if someone else proved willing to pick up the bill.

The failure of Irish Shipping could, in any event, cost the Irish Exchequer up to I£70m

The only consolation of the affair is that it is the first firm evidence that Dr Garret FitzGerald's government is prepared to take tough action to stick to its spending targets. That should concentrate many Irish minds wonderfully.

Public quote for Pilecon

By Wong Sulong in Kuala Lumpur

PILECON, one of Malaysia's fastest growing engineering and construction groups, is to get a public listing on the Kuala Lumpur exchange with a public offering of 6.2m shares. It will be the 13th, and last, company to be granted a listing this year.

The shares, with a par value of 50 cents, will be sold at 1.2 ringgit each, and will boost paid-up to 17.5m ringgit (U.S.$7.3m).

The company, which was formed by a group of ex-government engineers seven years ago, is forecasting a pre-tax profit of 10m ringgit for 1984.

The dividend is expected to be 7.5 cents.

Profits dip at ANZ finance units

BY LACHLAN DRUMMOND IN SYDNEY

THE Australian and New Zealand Banking Group's finance subsidiaries, Esanda and Finance Corporation of Australia, produced marginally lower net profits of A$52.3m (US$45m) for the year to September 30, although this uninspired performance is not expected to stop their parent from reporting record earnings of up to A$275m next Monday.

The finance side, which provides the hire purchase and the bulk of leasing and floor plan finance in Australia, has been under considerable pressure in the past year as its traditional areas of operation have been invaded by other members of a financial sector generally starved for growth.

This has limited assets growth for much of the financial year for the finance houses and placed pressure on their margins.

Esanda and Finance Corporation of Australia ended the year with respective net earnings of A$37.84m, down 2.9 per cent and A$14.46m, up 3.2 per cent.

Directors said that while both companies enjoyed good demand for lending, the level of competition saw earnings rates on assets decline more rapidly than the cost of borrowing, although this decline in margins was offset at the bottom line by growth in overall outstandings, which saw total assets advance by 15 per cent at the year-end to A$2.94bn.

But as a sign of the pressures on margins, the steady result came despite a halving of bad debt charges to A$11.08m. The property development activities of FCA contributed A$7.2m compared with A$1.74m.

Westpac Banking Corporation, the biggest of the Australian private sector banks, is due to report its earnings today. Brokers are forecasting that it may earn as much as A$306m, up by A$84m from last year. The National Australia Bank has set the pace with a 42 per cent rise to A$228m.

JAPANESE COMPANY RESULTS

HATTORI SEIKO
Watches, electronics

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	188.31	177.41
Pre-tax profits (bn)	4.24	3.35
Net profits (bn)	1.6	1.5
Net per share	16.73	15.69
Dividend	5.00	5.00

PARENT COMPANY

MAKINO MILLING MACHINE
Machine tools

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	24.77	19.93
Pre-tax profits (bn)	3.51	2.96
Net profits (bn)	1.6	1.49
Dividend	5.50	5.50

PARENT COMPANY

MITSUBISHI ESTATE
Estate, office leasing

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	83.38	88.7
Pre-tax profits (bn)	20.56	18.03
Net profits (bn)	10.8	9.17
Dividend	3.25	3.00

PARENT COMPANY

NIPPON KOGAKU
Cameras

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	85.64	89.62
Pre-tax profits (bn)	4.68	1.9
Net profits (bn)	2.1	0.85
Net per share	10.36	4.87
Dividend	3.75	3.75

PARENT COMPANY

OMRON TATEISI ELECTRONICS
Semiconductors

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	123.7	99.42
Pre-tax profits (bn)	8.58	6.07
Net profits (bn)	4.11	2.94
Net per share	25.44	18.38
Dividend	6.60	6.60

PARENT COMPANY

SANKYO COMPANY
Pharmaceuticals

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	117.5	113.85
Pre-tax profits (bn)	10.78	11.77
Net profits (bn)	4.03	4.5
Net per share	13.68	18.31
Dividend	3.75	3.75

PARENT COMPANY

SONOIKE MANFACTURING
Lathes

Year to	Sept '84 Y	Sept '83 Y
Revenues (bn)	41.67	27.22
Pre-tax profits (bn)	6.11	3.8
Net profits (bn)	4.42	2
Net per share	83.04	41.41
Dividend	10.00	10.00

PARENT COMPANY

SUMITOMO REALTY AND DEV.
Real estate

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	38.39	40.92
Pre-tax profits (bn)	2.87	2.17
Net profits (bn)	1.47	1.12
Net per share	10.02	10.89

PARENT COMPANY

INTL. COMPANIES & FINANCE

Promise seeks to lead sarakin into Japan's financial establishment

BY ROBERT COTTRELL IN TOKYO

PROMISE COMPANY of Tokyo described its staff in a recent letter to its bankers as "economic livelihood advisers." It summarised its corporate goal as "a mission to develop into an enterprise truly *beneficial to the society around* us."

Last year, the company spent Y13.6bn ($56.5m) on advertising —slightly more than the wages of its 3,778 workforce. It hired Dentsu, Japan's largest advertising agency, to promote a corporate identity campaign under the slogan "My Way." It sponsored a professional golf tournament, the Promise Cup, *and moved its headquarters* from the provincial industrial city of Osaka to the Marunouchi district of Tokyo, the Japanese equivalent of an address on Wall Street *or, say,* Bishopsgate.

Promise has been wrestling with an image problem which it may now — just — have overcome. It is the second-largest of the Japanese consumer loan companies — known as "sarakin," a contraction of "sarariman kinyu," or "salaried man's finance company." Many smaller sarakin are basic and sometimes brutal loan sharks. Larger and more respectable ones, like Promise, have been espousing lower interest rates and realisic credit assessment methods in a bid to differentiate themselves from the smaller and grubbier fry.

The big sarakin want to be respectable not least because they may otherwise not survive. Tougher legislation, sustained public disfavour and intensifying competition mean that several small and medium-sized firms have already run into difficulties.

Yatagai Credit filed for court protection from creditors in June this year with debts of Y30bn.

"Sarakin" is a contraction of "sarariman kinyu," or "salaried man's finance company." Many smaller sarakin are basic and sometimes brutal loan sharks. Larger and more respectable ones, like Promise, have been espousing lower interest rates and realistic credit assessment methods in a bid to differentiate themselves from the smaller and grubbier fry.

Their survival is threatened by tougher legislation, sustained public disfavour and intensifying competition which has already led to several small and medium-sized firms running into difficulties. Yatagai Credit, filed for court protection from creditors in June this year with debts of Y30bn ($125m).

Safety beckons within the charmed circle of Japan's financial establishment, the structure of permanent, interlocking relationships between banks, insurance companies, securities houses and other major institutions, the stability of which is watched over by the Ministry of Finance.

Promise, together with Takefuji, the largest sarakin, Acom, the number three, and Lake, the number four, may now have distanced themselves sufficiently far *from the* loan-sharks to stand at least on the edge of the charmed circle. Several Tokyo bankers say that a recent syndicate of lenders assembled to help Promise avert a possible liquidity squeeze demonstrates its winning establishment status.

The syndicate, led by Sumitomo Trust and Banking Corporation, *the Long-Term Credit* Bank of Japan, and Nippon Life Insurance, came together early last month to cushion Promise against a liquidity shortfall brought about by a trimming of foreign bank credit lines, and disruption which Promise says hit its cash flow when it cut loan interest rates in October and drew up fresh contracts with its 1m customers. Promise drew Y8bn from the syndicate in October, and is likely to draw a further Y10bn this month.

Foreign banks now supply some Y62bn, or 20 per cent, of Promise's funds, down from Y74bn in June when the problems of Yatagai made several banks nervous about exposure to sarakin in general. While Japanese institutions supply most of Promise's funds, they prefer not to be seen lending directly to sarakin. Half Promise's borrowing are booked through a dummy subsidiary. Sarakin are not allowed to take deposits from the public.

Mr Toshiyuki Okura, Promise's senior managing director, believes the arrangement of the syndicate carries with it a broad message of support. He does not yet claim the syndicate leaders as "main bankers," but believes that Promise may be leading the way for all four big sarakin to establish "main bank" relationships with institutions in the near future. Analysts note that Acom already enjoys a close relationship with Mitsubishi Trust and Banking Corporation.

In Japan, a "main bank" relationship is understood to carry with it a constant and general obligation to the client.

JAPAN'S BIG FOUR SARAKIN

End 1983:	Promise	Takefuji	Acom	Lake
Loans out (Ybn)	322.86	361.46	275.21	179.03
No. of accounts	1.04m	1.03m	0.85m	0.74m
No. of branches	*491*	*512*	*525*	*497*
Employees	3,778	3,954	3,581	2,938

Promise has found respectability by foregoing usurious interest rates and heavy-handed collection methods—though its loan charges remain high in a country with a 7.6 per cent prime rate and 2 per cent inflation. On October 1, Promise cut its maximum loan interest rate from 47 per cent per annum to 39.5 per cent—four years ahead of a Government requirements.

The company has a computerised and largely automatic system of credit authorisation for granting individuals loans of up to Y500,000, usually equivalent to between one and two months' salary. Promise is also improving the quality of its loan book by writing off dubious accounts receivable. It expects to write off some Y30bn against uncollectable loans in the current year, following a Y32bn write-off in 1983. A Y14.5bn write-off is expected in 1985, with a falling back to a typical level of around Y10bn annually in subsequent years.

Promise generally writes off delinquent loans after a year—unlike some more ruthless sarakin, which pursue delinquent clients literally to the grave. An estimated 813 suicides and 8,000 disappearances in Japan in the second half of last year were attributed to sarakin debt problems.

Promise is budgeting for its written-down loan book to shrink from Y322.9bn at the end of 1983 to Y253.9bn at the end of this year, and to remain virtually unchanged through 1985. Combined with lower interest rates, the effect on gross interest income is a shrinkage from Y133.5bn in 1983, to Y114.5bn in 1984, and Y84.96bn in 1985. Profits before tax and extraordinaries are expected to *fall from Y23.98bn in 1983 to* around Y18.7bn in 1984, and Y13.26bn in 1985, before turning up in 1986, when Promise expects its loan book to start growing again.

Static loan demand from a mature corporate sector means that Japan's banks are now looking increasingly hard for new loan markets. Some, such as Dai-Ichi Kangyo Bank, have opened personal loan subsidiaries. Others will follow. Mr Okura believes, however, that the banks will feel comfortable only in a middle-class market, and will not invade the blue-collar province of the sarakin.

More immediately important for the future of the sarakin in general is the interest rate-cutting of the big four, which together account for some Y1,100bn of loans, or just over *50 per cent of all sarakin lending*. Fringe operators who fail to cut their own rates may well lose customers seeking to refinance outstanding debts with loans from the bigger, cheaper lenders. Sarakin also face direct competition from credit cards

But given reliable access to long-term funding, the big sarakin could survive in a considerably more competitive environment. Promise's post-tax return on total assets in 1984 is likely to be between 3 and 4 per cent, or roughly three times the level which commercial banks in many countries would consider healthy.

The big four sarakin may yet prove themselves acceptable stablemates for those Japanese institutions, such as the trust banks and long-term banks, which have liquidity to spare, but lack the branch networks to apply it directly to individual borrowers.

BP earnings up by £544m at nine months

THIRD-QUARTER net income of the **British Petroleum Company** rose by £56m to £553m and lifted the figure for the first nine months of 1984 to £1.57bn, an increase of £544m over the corresponding period of the previous year.

Compared with the performance of the second quarter the directors described the results as "encouraging" particularly in view of the sustained trading difficulties in the European oil market.

Group turnover for the nine months (Sohio 100 per cent) improved from £23.53bn to £27.18bn with the July to September quarter contribution ahead at £9.38bn, compared with £8.03bn. Third-quarter tax took £306m (£340m), and earnings per share for the period were 21p (17.7p).

Profits before extraordinary items on a replacement cost basis (after adjustments for current cost of sales less minority interests) advanced by £74m in the third quarter and the figure for the nine months at £943m (£723m) showed an improvement of 30 per cent.

For the nine months to September 30, 1984, historical profits before extraordinary items were 70 per cent higher at £1.05bn (£617m). Stock holding gains of £108m were made in contrast to the losses of £106m incurred in 1983.

Funds generated for the period fell to £455m from £589m at the six months' stage following the acquisition of Amoco's Australian oil interests and Sohio's purchase of 11m of its publicly held shares.

Gross funds flow from the group's operations exceeded £4bn and was almost £900m higher than in the same period last year.

From this total, the group funded capital expenditure amounting to £2.7bn, an increase of £300m on 1983. Sohio, a U.S. subsidiary, accounted for just over 50 per cent of the total expenditure. Liquid resources increased by £710m during the nine months.

BP Exploration's operating profit for the third quarter, at £332m, was little changed from the second quarter. Spot crude oil prices weakened in dollar terms but the effect of this reduction was offset in the sterling results by the stronger dollar. Exploration expenditure written off in the quarter amounted to £80m.

The group's share of production from the North Sea averaged 491,000 barrels per day compared with 522,000 b/d in the second quarter. Increased production from the Magnus and Buchan fields partially compensated for lower output from Forties and Ninian.

DIVISIONAL BREAKDOWN OF OPERATING PROFITS
(replacement cost basis)

	Nine months Sept 1984 £m	Nine months Sept 1983 £m
Exploration	1,000	788
Gas	53	51
Oil and shipping	97	154
Chemicals	60	†66
Minerals	†30	†19
Coal	5	6
Nutrition	22	20
Other	†11	†1
Sohio (100%)	1,734	1,632

† Loss.

In August BP acquired interests in 21 tracts in the Beaufort Sea off Alaska and in October interests in four tracts offshore California.

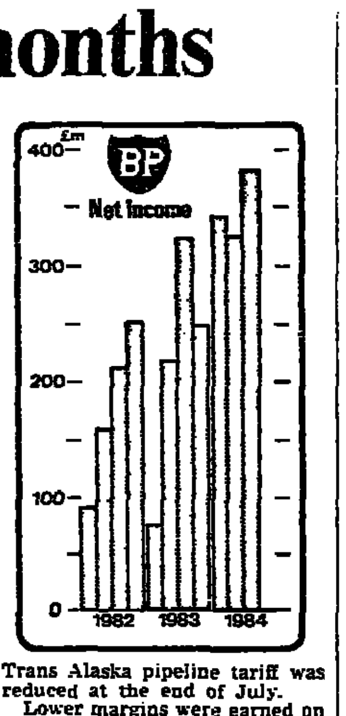
A reduced operating profit earned by BP Oil International and BP Shipping in the third quarter (£10m, against £46m on a replacement cost basis) reflected a continuation of the poor levels of downstream profitability in Europe that had been a feature of the previous quarter. Local currency costs of oil rose as the dollar strengthened but these cost increases were generally difficult to rocevr in the market. Performance outside Europe and in the international aviation and marine businesses remained satisfactory.

BP Chemicals International's third quarter operating profit of £9m was significantly lower than the £25m achieved in the second quarter. Sales volumes showed some seasonal decline and margins were lower towards the end of the quarter. However, the results obth for the quarter and for the nine months were substantially better than for the corresponding periods in 1983, when losses of £33m and £66m respectively wer recorded.

In other businesses, an £11m improvement in BP Gas International's operating profit in the third quarter was due to increased gas production and higher LNG and LPG sales. BP Minerals' operating loss (£17m) was attributable to large exploration write-offs and marginally lower income from mining operations. The result for BP Coal (up £5m) benefited from increased productivity and improved income in local currencies. BP Nutrition continued to perform well, its operating profit being up on both the previous quarter and the same quarter last year.

In sterling terms Sohio's third quarter operating profit of £371m was down £68m on the second quarter this year. Underlying dollar results showed an even steeper decline.

The fall in profit largely arose in exploration and production. Operating costs and exploration expenses were higher and the Trans Alaska pipeline tariff was reduced at the end of July.



Lower margins were earned on oil products because of the depressed level of U.S. product prices. Nevertheless, the refining and marketing sector has remained profitable throughout 1984.

Sohio's contribution of £202m to group historical cost profit was similar to that in the second quarter. Its capital expenditure for the nine months was £1.44bn. Exploration and production continued to account for over 70 per cent of this expenditure, which included £280m on lease acquisitions.

See Lex

Confidence at LWT as profits soar £5m

LARGELY reflecting an "outstanding" performance by London Weekend Television, plus the assistance of an extra week's trading, **LWT (Holdings)**, the independent TV programme contractor, saw its profits before tax almost double in the year to July 29, 1984.

The group's chairman, Mr John Freeman, tells shareholders that an "encouraging" start has also been made in the current year.

Turnover for 1983-84 advanced by £26.9m to £163.13m from which pre-tax profits of £10.5m (£5.35m) were generated after deducting Exchequer Levy of £4.9m, against a previous £553,000.

A final dividend of 9.2317p (6.5818p) lifts the net total from 11.076p to 14.4p per 25p share.

However, he is confident that London Weekend Television will maintain its industry share of TV advertising and that Hutchinson (publishing) and Page Moy (travel) have potential for continuing improvement.

Tax for the past year accounted for £5.37m (£1.38m) but minorities added £7,000 (took £61,000).

Earnings per share amounted to 30.73p (23.57p) and net asset value per share moved ahead from 182.04p to 220p.

The results for the year also included a record contribution from international programme sales of £4.6m (£1.6m). The group's other division performed creditably

First half turnover and pre-tax profits, after Exchequer Levy, rose by £14.88m and £2.69m respectively

● comment

LWT might have expected a better reception for pre-tax profits which beat market forecasts by anything up to £2m. But on a dull day, an advance of 8p to 275p was creditable enough, following a 50 per cent gain during the year. That LWT would maximise profits from a bumper year for television advertising revenues was well known, the surprise was in the extent of overseas programme sales. It will be a hard act to follow in the current year—advertising revenue growth is slowing while a substantial pay award is pending for the television techniques. LWT should make about £11.5m pre-tax in 1984-85, putting the shares on a prospective p/e of just under seven, on a 45 per cent tax charge. Given the uncertainty ovrr the exchequer levy review and over plans for DBS the shares will probably mark time at this level, but supported against any downward movement by the 7.7 per cent yield.

Royal's £9m third quarter is enough to restore profits

AN AVERAGE third quarter result from **Royal Insurance** with a pre-tax profit of £9.4m, enabled the UK composite insurance group, to return to the black over the nine months with a £7.5m surplus, compared with a profit of £83.2m for the corresponding period.

These results, although in line with both the group's and the market's expectations, reflect not only the continuing poor trading in the U.S., Canada and UK, but also the continued weakness in sterling over the nine month period. The comparable three months last year produced £13.2m.

Worldwide general insurance premium income rose 14.4 per cent in sterling terms from £1.44bn to £1.64bn, the underlying increase allowing for exchange rate fluctuations being 8 per cent.

Underwriting losses of £81m in the third quarter, added to those already incurred in the first half of the year, sent total losses for the nine months to £250.8m, against £163.4m for the comparable period.

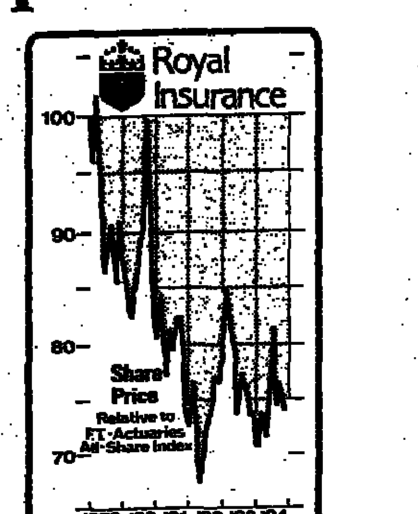
Total investment income over the nine months climbed 13.4 per cent in sterling terms to £233.1m, a 6.75 per cent underlying growth rate, and was in itself insufficient to cover underwriting losses. A 17 per cent jump in life profits to £15m and a 24 per cent rise in profits from associated companies just tipped the profit scales.

However, a substantially higher tax charge of £16.6m turned the balance again and there was a net loss of £8.6m attributable to shareholders over the nine-month period compared with last year's profit of £51.6m. The earnings per share recorded a 3.6p loss against a 21.9p profit.

Capital and reserves increased by £169m in the third quarter to £1.67bn at the end of September, including an allowance of £225m for the long term funds, with a solvency margin of almost 64 per cent, excluding the long-term funds.

The U.S. still remains the major problem for Royal, with continuing losses in the third quarter bringing total underwriting losses for the nine months to £166m against £117.5m.

Personal lines showed an improvement in homeowners and automobile, but commercial line results still deteriorated, though at a somewhat lower rate. There was an overall operating ratio of 118.1 per cent in the third quarter leading to a ratio of 121.5 per cent for the nine months—88.2 per cent claims



ratio and 33.3 per cent expense ratio.

Premium income over the nine-month period was 1 per cent lower, but the major rate increases being made, particularly in the third quarter saw a 21 per cent premium volume increase in that quarter.

Royal is still reorganising and rationalising its U.S. operations. Around 750 staff—11.5 per cent of total numbers of employees—have been shed and expenses are stabilising.

Royal had a good third quarter in the UK with a general insurance profit of £9.7m against £4.9m in the third quarter of last year. Business remains buoyant with premium income over the nine months more than 12 per cent higher than last year at £448.5m.

However, the UK account is still suffering from the £32m of adverse weather claims in the early months of this year and the surge in fire damage claims in the third quarter. Underwriting losses for the nine months are £30.9m against £20.4m for the corresponding period last year.

The UK motor account is still growing although trading results are somewhat worse Royal has no premium rate increase yet in the pipeline.

There was a marked deterioration in Canada, where Royal has a 5 per cent market share, with the third quarter being hit by worsening conditions in the automobile and general liability accounts. The company has added some £12m to prior years' claim reserves, to take account of the more liberal interpretation of claims by the Courts.

See Lex

Midway rise by Brown Shipley

RESULTS at **Brown Shipley Holdings**, merchant banker and insurance broker, in the first half to the end of September 1984 show a "satisfactory increase" over those for the same period in the two previous years, say the directors.

The increase in group profit this year will be restricted by the costs of moving to Haywards Heath, but a "satisfactory improvement" is expected.

The interim dividend has been held at 3.5p. In the last full year a total of 8.5p was paid.

In banking, corporate finance earnings increased significantly and the continued growth of Medens Trust made an important contribution. Banking results for the full year are expected to show a "considerable increase."

The insurance group expects to achieve satisfactory growth in the full year, though movements in exchange rates will remain a significant factor.

The move to Haywards Heath has been substantially completed which will make a major improvement in group operating efficiency. In the current year the parent company is consequently bearing increased costs. These will be reduced when vacated leasehold and freehold premises have been disposed of.

Kwik Save profits up by 16%

ALTHOUGH WAGE COSTS increased at a faster rate than food price inflation, net margins were maintained at **Kwik Save Discount Group** during the year to August 25 1984.

On sales ahead by £85.27m at £641.47m, pre-tax profits of this Liverpool-based grocery discount supermarket operator rose from £27.4m to £31.77m, a 15.9 per cent increase.

The directors are recommending a final dividend of 2.8p, bringing the year's total to 4.1p. Last year an adjusted 3.5p total was paid.

Stated net earnings per 10p share are shown at 11.66p, against 9.38p.

In spite of lower interest rates prevailing over most of the year, the directors report that "healthy cash balances" have resulted in an increase in net interest received, from £1.56m to £1.88m.

Gross concession and other rental income of the group rose by 16.5 per cent from £5.38m to £6.26m reflecting the increased number of outlets and the effect of rent reviews.

● comment

Kwik Save's philosophy of a limited range of basic food items piled high and sold cheap works fine until an abundance of fresh vegetables and fruit turns shoppers elsewhere as it did this summer. Still the market was well prepared and the outcome was right in line with most expectations. The fresh foods problem has spilled over into the current year and combined with a store opening programmethat has been temporary log-jammed — 3 stores have been opened since the year end compared to 12 in the same period of '84 — the next set of interim figures are not going to be particularly inspiring. Even so full year should be capable of producing £35.5m pretax which drops the p/e at 168p from 14.1 to under 12. That looks fair value in the context of the sector.

Strong second half at Gleeson

DESPITE a lower level of turnover—down from £73m to £70m—**M. J. Gleeson Group**, civil engineer and building contractor, has achieved its expected improvement in trading profit which rose from £958,000 to £1.79m in the year to June 30 1984. There was a substantial increase in pre-tax profits, up from £3.14m to £4.4m, of which £2.49m, against £1.85m, came in the second half.

The directors say the increase in trading profit was made in spite of keen competition in the UK construction industry and a valuable profit contribution has again been made by the group's residential estate developments. They expect the higher level of trading profit to be maintained.

The considerably higher tax charge, up from £672,000 to £1.86m, reflects the directors' cautious view of the effect of the exhaustion of past reliefs and allowances, and of other recently enacted fiscal changes.

There were extraordinary debits of £383,000, including a charge of £602,000 for deferred tax and a credit of £219,000 for realised capital profit, net of related tax, arising from the sale of the Melksham plant depot.

Despite the higher tax charge, the directors are recommending an increase from 4.5p to 4.95p net in the total dividend with an increased final of 3.52p (3.2p). Dividends will absorb £495,000 compared with £450,000. Stated earnings per 10p share improved from 24.65p to 25.43p.

Subsidiaries help Bank of Ireland

The Bank of Ireland has returned increased taxable profits of I£31m (£25.75m) for the six months to end-September 1984, compared with I£29m. Current cost pre-tax profits moved ahead to £17.6m, against £12.2m.

In the same period the Bank's historical trading profit rose by £3.9m to £38.4m. This was exclusively attributable to the subsidiaries, Mr D. S. Carroll, the Governor, says in his interim statement. Bank of Ireland Finance and British Credit Trust increased their trading profit by nearly a half to £4.9m and £2.3m respectively.

Profit doubled in the Investment Bank of Ireland to £6.3m, with the banking, investment and corporate finance divisions "all contributing to the improvement."

The slight decline in trading profit in the Bank itself, from £25.5m to £25m, was due to a further increase in the charge for Loan Loss Provisions, the Governor says. This rose from £17.3m to £27.4m, with the increase arising mainly in the Republic and spread widely across the loan portfolio.

● comment

The Bank of Ireland's strong earnings recovery in 1983-84 was clearly a flash in the pan. An I£11.2m jump in the group bad debt charge to I£31.9m, almost entirely attributable to the parent bank, caught the market on the wrong foot and the shares accordingly slipped by 15p to 255p in London, where the historic yield is 7.8 per cent. Provisions are widely spread across the loan portfolio in and outside the Republic, while new loan demand is sluggish, except from a scattering of expansion-minded foreign companies setting up in the state. The I£2m improvement in group taxable profits was led by the merchant bank, whose doubled contribution reflected a boom in demand for life insurance products handled by the fund management arm. The credit companies, meanwhile, are riding high on cheaper funding costs in the Republic and substantial volume gains in the UK. However, it will take a dramatic turnaround from the Irish economy generally to restore the group to last year's growth track.

Staveley aided by better margins

AN 18 per cent increase from £2.01m to £2.36m in pre-tax profits is reported by **Staveley Industries**, for the 26 weeks to September 29, 1984. Sales of this holding company—its interests include electrical and mechanical services, weighing and components—showed a 10 per cent increase from £78.36m to £86.05m, and accompanied by improved margins, the trading profit was an "encouraging" 27 per cent higher at £4.13m compared with £3.26m.

Interest charges, up from £1.26m to £1.77m, are higher this time mainly as a result of the double effect of the strength of the dollar and higher U.S. interest rates. Tax more than doubled from £300,000 to £650,000, and after extraordinary debits of £216,000 (£615,000), attributable profits emerged at £1.5m compared with £1.09m.

The interim dividend is unchanged at 4.5p—last year's total was 14p net from pre-tax profits of £6.36m. Stated earnings per £1 share showed a modest increase from 10.4p to 10.5p.

The directors say the building services sub-division has begun to show encouraging developments in its order book, particularly through MJN at Croydon. The industrial electrical sub-division continues to operate satisfactorily

The international sub-division is fully occupied on existing contracts. There is concern, however, that the winning of new profitable contracts is increasingly difficult.

The weighing and components business area is well up on this time last year. Electroscale in Santa Rosa, California, has been sold to National Controls, an over-the-counter publicly quoted company in the U.S. Staveley is now the largest single shareholder, at 36.8 per cent, of the enlarged share capital. The new NCI ranks sixth, in market share terms, of the U.S. weighing companies.

● comment

A higher than expected interest charge knocked some of the gloss off Staveley's results and left analysts hurriedly revising full-year profits forecasts down £500,000 to around £8m pre-tax. The problem is that the bulk of Staveley's debt is denominated in appreciating dollars, yet the U.S. only generates a fraction of group earnings—although the American companies should be covering their finance costs by 1986. Borrowings, meanwhile, haev rise by £2m or so from the year-end's £13.7m because o[illegible] final "earn-out" payments fr[illegible] earlier acquisitions. The £868,00[illegible] improvement in pre-interes[illegible] profits owes £500,000 to los[illegible] elimination, and the rest come[illegible] almost entirely from the weigh[illegible]ing and components and genera[illegible] engineering divisions, with th[illegible] exception of Lapointe. Th[illegible] shares droped 10p to 280p, 7.[illegible] times prospective earnings afte[illegible] a 27.5 per cent tax charge.

LADBROKE INDEX
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DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bank of Ireland‡‡	int.	5.5†	Dec 17	5.5	—	17.5
Brown Shipley	int.	3.5	Jan 8	3.5	—	8.5
Chamberlain & Hill	int.	1.4	Dec 8	1.1	—	3.1
Common Bros.		Nil	—	1	Nil	1
B. Elliott	int.	0.1††	Dec 31	0.1	—	0.1
John Foster	int.	0.5	Jan 11	0.5	—	2.25
M. J. Gleeson		3.52	—	3.2	4.95	4.5
Gt. Portland	int	1	Jan 29	1	—	5.5
Maynards		7.5	—	6.63	11.75**	9.75
LWT (Holdings)		9.23	—	6.58	14.4	11.08
Kwik Save		2.8	Jan 8	2.35*	4.1	3.5*
Lep Group	int.	1.25	Jan 21	0.8‖	—	3.5‖
G. Ruddle	int.	1.25‡	Jan 10	1.25	—	4
Scantronic Hldgs.	int.	0.7‡	Jan 7	—	—	1
Staveley	int.	4.5	Jan 2	4.5	—	14
TR Technology	int.	0.5	Jan 2	0.5*	—	1.65*
Usher-Walker	int	2	Dec 14	1.65	—	5.5
International Signal	int.¶	1	Jan 14	0.7	—	2
Valor	int.	1.24	Jan 18	1.074	—	4
Whittington Eng.	int.	1.4	—	1.4	—	4.4

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ U.S. cents throughout. ‖ Adjusted for share sub-division. ** To cover 14 month period. †† To preserve trustee status. ‡‡ Irish currency throughout.

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Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	137	—	6.3	4.6	8.0	10.5
158	117	Ass. Brit. Ind. CULS	144	—	10.0	6.9	—	—
78	52	Airsprung Group	52	—	6.4	12.3	5.7	6.9
42	21	Armitage & Rhodes	41	—	2.9	7.0	5.1	8.5
132	57	Bardon Hill	121	+ 1	3.4	2.8	12.2	20.3
58	42	Bray Technologies	43	—	3.5	8.1	5.0	7.2
201	173	CCL Ordinary	174	—	12.0	6.9	—	—
152	117	CCL 11pc Conv. Pref.	118	—	15.7	13.3	—	—
750	100	Carborundum Abrasives	750	+ 5	5.7	0.8	—	—
248	82	Cindico Group	82	—	—	—	—	—
73	45	Deborah Services	70	—	6.5	9.3	6.7	10.8
240	75	Frank Horsell	240	—	—	—	9.6	12.6
206	75½	Frank Horsell Pr.Ord.87	206	—	9.6	4.6	8.3	10.8
69	25	Frederick Parker	27	—	4.3	16.0	—	—
46	32	George Blair	46	+ 1	—	—	3.1	6.2
80	37	Ind. Precision Castings	37	—	2.7	7.3	10.2	10.9
218	200	Isis Group	200	—	15.0	7.5	7.9	14.4
124	61	Jackson Group	109xd	—	4.9	4.5	5.0	9.8
272	213	James Burrough	270	—	13.7	5.1	9.6	9.6
93	83	James Burrough 9pc Pf	93	—	12.9	13.9	—	—
147	100	Languaphone Ord.	139	—	—	—	—	—
100	98	Linguaphone 10.5pc Pf	96	—	15.0	15.6	—	—
482	275	Minihouse Holding NV	482	—	3.8	0.8	34.7	38.0
176	31	Robert Jenkins	31	—	6.0	18.1	—	—
74	33	Scruttons "A"	33	—	5.7	17.3	17.4	4.0
120	61	Torday & Carlisle	87	—	—	—	9.3	19.8
444	377	Trevian Holdings	377	—	4.3	1.1	21.4	21.0
26	17	Unilock Holdings	24	—	1.3	5.4	11.7	16.8
92	65	Walter Alexander	86	+ 1	7.5	8.7	6.5	10.4
276	227	W. S. Yeates	227	—	17.4	7.7	5.5	10.9

Prices and details of services now available on Prestel, page 48146.

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			Yield
Sterling	£	10.049xd	9.51%
Australian Dollar	A$	15.061xd	8.18%
Canadian Dollar	C$	20.103xd	9.19%
Dutch Guilder	DFL	50.105xd	3.62%
Danish Krone	DKr	150.954xd	10.81%
Deutschemark	DM	40.09xd	4.45%
Belgian Francs (FIN)	BFr	804.05xd	9.38%
French Francs	FFr	100.50xd	9.35%
Hong Kong Dollar	HK$	100.35xd	4.99%
Italian Lira	L	25.193xd	13.44%
Singapore Dollar	S$	30.11xd	6.72%
Swiss Franc	SwFr	30.0546xd	2.79%
US Dollar	$	15.075xd	9.27%
Japanese Yen	Y	3509.26xd	5.02%

Daily dealings. (Prices xd from 31st October 1984)

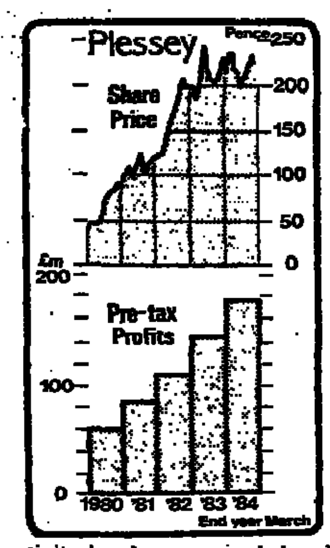
Plessey preparing to make assault on U.S. defence market

Plessey had needed to make "substantial capital and revenue investments" to strengthen its market position, said Sir John Clark, group chairman, following yesterday's results announcement covering the six months to September 28, 1984.

"It is inevitable that to look after the future we have to enter into significant expenditure now," said Sir John who added that rewards "lie ahead."

Plessey, he said, had invested £113m during the first half—£20.1m for a 35 per cent stake in Elettronica, the Italian electronics company, £40.8m on fixed assets, and the remainder on working capital to support future product growth.

Sir John said that the group was determined to break into the U.S. defence market, despite the "considerable opposition" to foreign investment. However, Plessey's thrust would still come from telecommunications "with a very substantial growth in components business."



Plessey's profits fell in the second quarter of 1984-85 and more than offset the £3.75m advance shown after the opening three months.

The taxable result for the 13 weeks to September 28 1984 amounted to £38.71m, against £42.72m, giving a virtually unchanged half-year total of £80.67m (£80.93m).

Plessey is the fourteenth largest company in the UK and is principally engaged in the design, development and manufacture of civil telecommunications, military communications, command and control networks, radar, sonar, direct and satellite communication and traffic control.

Turnover for the second-quarter and for the first half amounted to £313.99m (£301.28m) and £619.23m (£589.53m) respectively. Similarly, operating profits were £32.72m (£34.84m) and £68.18m (£66.02m).

Plessey's share of operating profits for the half-year fell from £3.53m to £2.42m and investment income was lower at £14.29m against £15.51m. Interest payable was up slightly at £4.22m (£4.13m).

First half telecommunications operating profits for the group worldwide were unchanged at £31.3m. In the UK there was an "excellent performance" by the office systems business, but this was offset partly by losses of £2.5m on System X production due to high start-up costs and lower margins.

Due to uncertainties of the cable television market, the activity has been suspended and expenditure in the half year amounted to £0.8m.

In the U.S. there was a low order intake, markedly in the second quarter, for both DCO exchanges and private office equipment.

Electronic Systems profits for the six months totalled £15.6m, some 17.7 per cent less on sales slightly down from last year. There was a "substantial increase" in sales and profits of defence systems, but this improvement did not compensate for the reductions in sales and profits in the radar and military communications businesses.

Aerospace and engineering profits rose by 33.2 per cent to £10m on sales of £58.2m. The UK businesses continued to perform well but the main increases arose in the U.S., where economic conditions improved markedly compared with last year.

Microelectronics profits increased by 41.5 per cent amounting to £7.6m on sales 18.5 per cent higher at £59.2m. The semiconductor business achieved an outstanding performance both in terms of profits and sales and has a "substantial" order book.

Earnings per share are stated as 6.63p (6.9p) for the half year—Plessey usually declares its interim dividend at the nine months stage. Tax took £31.84m (£28.76m), leaving a net balance of £48.83m (£50.68m).

As at September 28, Plessey had a total order book amounting to £1.57bn, compared with £1.34bn a year ago.

On a current cost basis, group interim profits were reduced to £69.2m (£71.4m).

See Lex

Intl. Signal advances by 51% to £11.2m at midway

International Signal and Control Group achieved a 51 per cent increase in first half taxable profits from $9.36m to $14.1m (£11.2m) and has raised the interim dividend by 0.3 cents to one cent per share.

The result for the six months to end-September 1984 was attained on turnover ahead at $123.57m, against $86.46m, and was struck after net interest payable of $228,000, compared with net interest receivable of $332,000, due to additional working capital requirements.

The company is engaged in the provision of security systems, defence and related electronic systems, communications, and electronic and aerospace design and production.

ISC Defense Systems continued to make good progress and is operating profitably. Its abilities as a prime systems contractor, the directors state, are gaining greater recognition within the U.S. and work will shortly commence on the construction of a new 100,000 sq ft facility in Lancaster, Pennsylvania, to concentrate its manufacturing and engineering activities at present divided between four different sites.

Trading at Marquardt was "well up" to expectations. The receipt of the award for the development of the engine for the U.S. Navy's Supersonic Low Altitude Target was "particularly encouraging," since this could lead, the directors say, to the first ramjet production programme for 20 years.

At the AGM in July it was sated that, as in the case of last year, a greater proportion of turnover and profits would fall *into the second half of the financial year.* This, the directors say, will be particularly marked in the case of the international division. Operating margins of this division have shown a good increase over the comparable period of 1983-84

Earnings per share for the period are stated at 6.2 cents (4.6 cents). Tax took $5.64m ($3.93m), leaving the net balance at $8.46m ($5.43m).

See Lex

Remedial action benefits Lep

Mr J. L. Read, chairman of the Lep Group, says that the benefits of the reorganisation carried out in 1983 in some subsidiaries and the general improvement in world trade are now being reflected in the group's results.

He reports that over the first six months of 1984 group pre-tax profits improved sharply from £864,000 to £3.11m on turnover ahead at £42.84m against £37.96m.

Shareholders are being rewarded with a lift in the interim dividend from 0.8p to 1.25p and are told that Lep's results since the end of June have continued to be well ahead of the comparable months last year.

Lep is an international freight forwarder and has ancillary services in export packing, insurance and travel.

The results this time included £143,000 relating to Lep's share of pre-tax profits of its 31.2 per cent interest in the National Guardian Corp.

First half earnings per share on a net basis are stated as 6.1p (0.5p) and 5.3p (0.9p) on a nil basis. Tax took £1.12m (£821,000) and there were minority credits of £156,000 (£145,000). Extraordinary items last time took £299,000.

● comment

These Lep results are the first fruits of the extensive reorganisation which Mr John Read, the new chairman, has carried out at this once family-dominated company. Since the former joint chief executive of Unigate took over two years ago costs and staff have been cut and senior management changed, putting the group in a strong position to make the most of the past year's increase in world trade. The full impact of these measures has yet to come through. While the West German operations have always been well-managed and the UK has recovered strongly, the substantial Austrian business still makes losses, albeit greatly reduced. There should be room for further growth in profits as the whole of Lep's extensive worldwide network operates with increasing efficiency, although the business will inevitably be geared to the cycle of world trade. Lep should make £6m pre-tax this year—fully reflected in the share price, up 7p to 177p. Assuming a 35 per cent tax charge they trade on a p/e of nearly 16.

B. Elliott liquidity position improves

B. Elliott largely completed its reconstruction in the six months to end-September 1984 and Mr Mark Russel, group chairman, expects the second half to show a further improvement in liquidity with a positive cash flow from trading operations and property sales.

The first half saw the group return to the black, and Mr Russell foresees improvements in Elliott's trading performance to continue despite strikes in the UK mining and automotive industries and a poor short-term economic outlook in South Africa.

Elliott is engaged in the manufacture and sale of machine tools and engineering products.

During the first half, UK manufacturing operations overall made a profit for the first time in four years and the merchanting division remained in the black despite a reduction in demand for metal forming equipment.

Overseas, the South African group returned to profit with Strip Steel making a "handsome contribution" in difficult times. However, this was partly offset by continuing losses, although lower, in the merchanting business, Koppel Gilbert. Losses were also reduced in the Australian and Canadian operations.

Overall, the group returned a taxable profit of £167,000, against a loss of £1.95m, on turnover £1.33m higher at £35.64m.

The result was struck after lower interest payable of £541,000 (£901,000). Bank overdrafts worldwide at the end of the period were down to £3m.

An unchanged interim dividend of 0.1p to preserve trustee status has been declared.

Maynards optimistic after hitting target with 30% increase

Maynards, the confectionery manufacturer and toy retailer, has lifted profits before tax by some 39 per cent in the 12 months to June 30 1984 to meet *forecasts made earlier this year* when successfully defending a partial bid from Mr Lew Cartier.

The result for the period was £1.46m against £1.05m, with roughly equal contributions from the group's continuing activities—manufacturing turned in a £775,000 (£558,000) trading profit and toy retailing £792,000 (£844,000).

Because of a change of accounting period, the full financial this time was for the 14 months to end-August, bringing in two "traditionally poor trading months" and giving a lower taxable result at £1.14m, in line with expectations.

The proposed final dividend is 7.5p net per share, up from 6.625, for a total 2p higher at 11.75p. Earnings per share for the extended period are stated at 16.26p (14.69p for 12 months).

Turnover of continuing businesses in the year was up from £31.61m to £36.87m. The group disposed of the loss-making CTN division last January, with the offshoot adding £13.48m (£31.99m) for six months to produce a trading loss of £60,000. The group's taxable result was struck after a £35,000 allocation to the employee share scheme.

Tax took £342,000 (£327,000).

Mr Bob Ramsdale, the chairman, says that he is satisfied that the retained businesses are areas of continuing opportunities and he remains optimistic about the future.

He points out that the company is implementing a policy that will considerably change its emphasis. Remaining activities are being rationalised and expanded and 34 of the former *CTN freeholds have been leased* and retained to form the basis of a new property investment company.

● comment

Maynards' 42 per cent rise in taxable profits gives it good reason to feel vindicated over its struggle to send Cartier packing. Margins have been slipped a point or so at Zodiac, but that reflects the costs of enlarging and opening 14 outlets. Their change to a larger format along U.S. lines is already starting to produce useful economies of scale as well as volume gains in their own right. Zodiac is being well served by its past determination to stay out of computer games now that the high-tech end of the toy trade is looking a little shaky. Confectionery manufacturing margins, meanwhile, are improving thanks to a push into own-label products with the savings on selling costs that implies. Sugar price increases are expected to tail off this year because of over-production in the industry, while further expansion for Zodiac points to around £1.8m pre-tax for the group this time. If Zodiac is successful in its search for a joint venture to counterbalance the seasonal swings of toy sales, the tota could be more. The shares los 5p to 260p, where the p/e is 9, after a 25 per cent tax change.

J. Foster expects better year despite interim loss

John Foster and Son fell £21,081 into the red in the half year to August 31 1984, but the directors say the result was not out of line with the seasonal experience of recent years as virtually all group profits accrue in the second six months.

They point out that the order-book for direct and indirect exports, which account for over-threequarters of group turnover, indicates a continuing improvement in profitability.

The directors, therefore, expect profits before tax for 1984-85 to be significantly greater than 1983-84's £602,621.

Meanwhile, the net interim dividend is being held at 0.5p. Loss per 25p share for the opening half emerged at 0.5p (nil), after taking account of an £18,602 (£16,245) tax charge.

Turnover of the group, a West Yorkshire-based spinner and manufacturer, improved from £6.43m to £7.7m. The reported pre-tax loss compares with a profit of £19,672 previously.

Mr Derek Gallimore, the group's chief executive, revealed that demand from Japan was particularly strong in the current year.

The business of Pepper Lee, acquired from Illingworth Morris last October, should "materially improve group annual profits in future" but the purchase is unlikely to have any substantial effect on trading profits *for the second half.*

Foster paid £1.64m for Pepper Lee, a Bradford-based manufacturer of mohair and other worsted cloths. Of the total, £379,000 was for plant and machinery, £450,000 for goodwill and £1.22m for stock and work in progress less creditors of £405,000.

UK COMPANY NEWS

Ultramar up to £88m at nine months

DESPITE A slight decline in net profits in the third quarter of 1984, *Ultramar, the petroleum* exploration and development group, has increased the running total for the year so far from £74.8m to £88.7m.

Profits in the quarter slipped from £27.1m to £25.9m, but the company was able to point to record figures for the nine months ending September 30 1984 in turnover, cash flow and profits before tax. The acquisition of a 50 per cent interest in Enstar, completed last September, had no material effect on the results.

Turnover for the three quarters rose by £1bn to £2.33bn, producing gross profits of £312.8m against £176.6m. Distribution costs and expenses accounted for £107.6m (£79.4m). The group's share of the profits from associates was substantially higher at £15.6m against £1.7m, and other income — mainly interest received—added less at £23.7m (£25.2m).

Interest payable was up from £10.2m to £58.5m, to leave taxable profits at £186m against £113.9m. The tax charge showed a significant increase at £97.3m against £39.1m for the nine months, for which earnings per share are state at 32.7p (28.6p).

The group's operations generated a cash flow of £151.7m in the period, up from £962m.

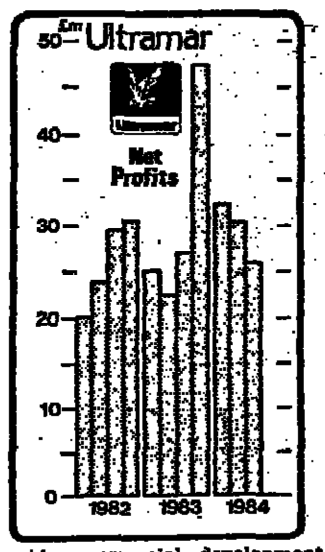
In the full year calendar 1983, Ultramar turned in a net profit of £122.1m from turnover at £2.06bn. At the pre-tax level profits were £156m.

In the period under review the group's producing operations in Indonesia, the North Sea and Western Canada reported good profits. The refining and marketing operations, taken as a whole, had a small profit in the third quarter, but the results were below budget. In weak markets, the Eastern Canadian refining and marketing operations, and the shipping division, were particularly disappointing and held back the expected growth in profits.

Geographically about 50 per cent of the group's net operating profit was derived from Indonesia and 35 per cent from the UK producing operations. Both of these profit centres are subject to high rates of taxation and this is why the overall tax rate for the group has climbed to 52 per cent for the nine month period, says Mr Arnold Lorbeer, the chairman.

However, there has been some recovery in the fourth quarter, he says.

Mr Lorbeer adds that the



rapid commercial development establishment of additional oil reserves may not seem of much importance in a world awash with excess oil production, but Ultramar is "firmly of the opinion" that investment in oil under the ground will in due course be very profitable for the company. Present economics, however, dictate caution in too of new oil and gas discoveries, he says.

● **comment**

Ultramar's results can only be seen as confirmation, if any were needed, of the daunting problems signalled by the second quarter figures. Upstream, the Indonesian pricing mechanism reduces the benefits to the group of a strong dollar, while there has simply been no demand for higher margin spot cargoes. Above all, though, Ultramar's downstream performance *is clearly* being savaged by the group's over-exposure to some of the worst-hit areas of the U.S. and Canadian markets. The best that can be hoped for is that Ultramar may now have stabilised a decline in its fortunes which has already been reflected in a dramatic underperformance by the shares. But net income this year seems unlikely to exceed 1983's £122.1m by much. Looking further out, it is hard to feel sanguine about the near term growth prospects, while the balance sheet is clearly under some strain. The shares closed down 13p at 237p and Ultramar will have its work cut out improving City sentiment towards it—it could make a start by publishing more specific quarterly figures.

G. Ruddle rises to £471,778

DESPITE A highly competitive environment, steady progress has been shown by G. Ruddle & Co with pre-tax profits rising from £420,209 to £471,778 for the six months to the end of September 1984.

Mr K. A. Ruddle, chairman, says that in the off-trade which represents 70 per cent of business for this Rutland-based brewer, there has been constant discounting of branded products. Many "special offers" are being made by brewers who are looking to the off-trade for volume sales to offset decreasing demand in the on-trade.

The net interim dividend of this USM stock has been held at 1.25p—in the last full year a total of 4p was paid from pre-tax profits of £1.02m. First-half earnings per 10p share are shown as rising from 5.88p to 7.81p.

Wytch Farm lifts Premier Oil

Premier Consolidated Oilfields reaped the benefits of sharply higher oil and gas sales during the six months ended September 30 1984 and lifted operating *profits for the period by 242 per* cent.

Mr Roland Shaw, chairman, says the "very satisfactory" results were attributable to an 80 per cent increase in sales of oil and gas which reached £4.3m, compared with £2.4m previously.

The principal factors were income from Premier's 12.5 per cent interest in Wytch Farm, the Dorset oilfield, acquired last May and a 27 per cent interest in Trinidad production.

Operating profits came through at £1.07m, compared with exchange gains of £1.15m (losses £40,000) profits at the pre-tax level surged by £1.68m to £2.37m.

Tax took £493,000, against £406,000, but there was an extraordinary credit of £189,000 this £312,000 and after adding in time being the profit on the sale of the group's 50 per cent interest in Premier Man, oil futures trading company.

Referring to current activities Mr Shaw says the appraisal well of Premier's 29/8b-2 well in the central North Sea will be drilled shortly by Shell. He also reveals that the 19th well in the present Trinidad drilling programme has been completed, making the success rate 84 per cent.

The directors are planning further expansion of the group's exploration and production interests and are confident that substantial growth can be achieved on the firm basis of the existing production assets.

Hr Yx5 i...

● **comment**

Fresh from seeing predator Carless, Capel off the premises, Premier is showing early signs of converting financial promise into reality. Of the two areas—Wytch Farm and Trinidad — contributing to the increase, Trinidad is by far the less important, having made some £300,000 this year against a tenth of that previously. Wytch Farm (of which Premier has a 12½ per cent stake) is apparently now running at towards 6,000 barrels per day, against some 4,500 b/d in the first half. That figure is likely to remain on a gently rising plateau over the next couple of years, but Premier is talking about 40,000 b/d thereafter. In the intervening period, the spice for the market consists of the stakes left over from the recent bid; Carless still holds 15 per cent, bought at a price almost 10p above the present 59p, and Ivan Boesky seems still to be sitting on 8 per cent. Strategically, these are big enough holdings to suggest that Premier is not yet off the predatory hook.

Valor's higher profile brings 50% rise

A HIGHER profile in the market place for Valor has led to strong sale s and a "very successful trading outcome" in the 26 weeks to September 29, 1984.

From sales ahead by £6.97m or 21 per cent at £40.92m, taxable profit were up by 49 per cent at £2.01m against £1.35m. The first haf profit inludes a first-ever ontribution from Dream- and Electrial whch, beause of its seasonal business will not be repeating the same input in the second half.

However, Mr Michael Montague, the chairman, says that the group—a manufaturer of heating and cooking applianes—is on target for a very good second half. Trading is going well—there are no stocks of finished products left and liguidity is at an all-time high for the time of the year, he says.

The interim dividend is 1.235p against 1.074p, following on from the total 4p last time when profits were £3.9m on sales of £75.03m.

After tax of £605,000 (£346,000) net profits came out at £1.4m against £1.01m for earnings per share at 6.92p (6.08p) basic and 6.57p (5.72p) fully *diluted. The increased diivdend* will take £243,000 (£171,000).

Commenting on the result, Mr Montague considers that Valor's "trusted name" in the home has also created the opportunities sought by the new fitted kitchen division, where hopes run high.

Valor's living flame gas fire, the Homeflame, continues as market leader and has been joined by a companion, the contemporary-styled Masterflame, *which has already established* itself as the No 2 best seller, he adds.

The company's small financial commitment to U.S. gas exploration and production activities is proving a good investment, says the chairman, "albeit an insignificant addition to total group profits."

● **comment**

The market had anticipated the strong improvement in profits from Valor, encouraged by a *bullish statement from the chair*man in June, and the interim figures did not disappoint. Any dilution in earnings from the purchase for cash and shares of Dreamland in February has been more than made up and if the *15 per cent increase in the* interim dividend is repeated at the year-end the shares at 160p down 4p give a prospective yield of 4 per cent. The company is delighted with the reception of its gas fires in Canada and is now planning to buy a marketing and distribution company in the U.S. to be ready to sell its products there is the key Spring purchasing period. Any significant con*tribution from across the* Atlantic will only come through in the next financial year. The same goes for Dreamland where new products are being developed including a hot belt to keep warm anglers, football *supporters and others who spend* hours outside in the cold. The company should make £5.5m this year, giving a p/e fo 8 on a 30 per cent taxe charge and add significantly to that figure next year.

BOARD MEETINGS

TODAY

Interims: Anglo Nordic, Black Arrow, DDT, G. T. Global Recovery Investment Trust, Headlam Sims and Coggins, Personal Assets Trust, Save and Prosper *Return of Assets Investment*, R. Smallshaw Knitwear, Whitbread Investment.

Finals: Atlanta Investment Trust, Barton Transport, Somic, Stocklake.

FUTURE DATES

Interims—

Bulgin (A. F.)	Nov 20
Carless Capel and Leonard	Nov 28
Erskine House	Nov 26
Forshaws Burtonwood Brewy.	Nov 19
Harrisons Malaysian Plantations Berhad	Dec 7
Ivory and Sime	Nov 19

MINING NEWS

APPOINTMENTS

Metals price slide gives Northgate third quarter loss

BY KENNETH MARSTON, MINING EDITOR

LOWER PRICES for precious metals and copper have hit Canada's Northgate Exploration in the third quarter, resulting in a loss of C$3.77m (£2.27m). This leaves a net profit of C$5.58m, or 50 cents per share for the first nine months of this year.

In the same period of 1983 Northgate suffered a loss of C$7.06m. This year's figures are struck after taking into account special credits totalling C$10.6m, of which C$7m represented a net gain on the sale of part of the holding in the Australian Whim Creek Consolidated.

During the latest quarter the group managed to reduce its long term debt by $6m to $49m (£39m). It also revised its gold production target for 1984 to 75,000 oz from the earlier estimated 66,000 oz. Output for the first nine months amounts to 56,000 oz an increase of 31 per cent on the figure of a year ago.

Lower bullion pprices have also affected Canada's gold and silver-producing Agnico-Eagle. Third quarter earnings have dinped below C$1m, leaving a total for the first nine months of C$5.7m against C$7.2m in the same period of 1983.

Meanwhile production is well ahead this year with gold at 45,944 oz against 38,099 oz in the first nine months of 1983 and silver at 1.1m oz against 455,163 oz.

Renison confirms Papua New Guinea gold deposit

RECENT DRILLINGaround the location of two previously discovered intersections, with exceptionally high gold grades, at the Porgera gold deposit in the Enga province of Papua New Guinea, has confirmed the presence of an area of high-grade gold mineralisation, according to Renison Goldfields Consolidated, the Australian arm of London's Consolidated Gold Fields.

Renison holds a one-third interest in Porgera, with similar stakes in the hands of MIM Holdings, also of Australia, and Canada's Placer Development. The partners have already announced that the deposit contains 59m onnes of ore at an average gradeo f 3.55 grammes of gold and 14.4 grammes of silver per tonne.

Subsequent drilling in the area has encountered gold mineralisation of higher grades, and the latest set of five holes was designed to test the ground around an earlier hole which intersected a 66 metre interval of 32.7 grammes per tonne.

The assay values of these five holes were not consistent, but once again some extremely high values over good widths have been recorded, including 86 metres at an average of 38.9 grammes of gold per tonne. This particular hole also encountered what Renison described as "one abnormally high two-metre assay value," which was cut to 300 grammes per tonne in calculating the average value for the hole.

Renison added that the holes extend over a strike length (lateral direction) of 300 metres, within which a higher-grade zone 120 metres long is indicated. Further drilling is in progress to enable the partners to assess the size of this zone and its economic significance.

Last night, the London share market seemed to have made up its mind already as to the last point, marking Renison shares up hv 27p to 257p. Placer closed 50 cents higher at C$25⅝.

MINING NEWS IN BRIEF

The U.S. Amax diversified natural resources major expects to make charges against fourth quarter earnings of "less than $200m." These result from an adjustment to the carrying values of its agricultural chemicals business in the light of a study prompted by the continued depression in prices for phosphate and potash.

Bolstered by special items, net earnings of Amax for the first nine months amounted to $21.1m (£16.7m) against a loss of $122m in the same period of last year.

* * *

In line with its expansion plans the UK-based AF Budge (Mining) has acquired the American SS "Joe" Burford company which has estimated coal reserves of over 50m tonnes an doperates five underground mines in West Virginia.

It will produce some 900,000 tonnes this year for contract sales to public utilities. Other U.S. interests of Budge include Glacial Minerals of western Pennsylvania which will produce an estimated 1m tonnes of coal in 1984.

* * *

Following a rockburst 3000m underground at the Consolidated Gold Field group's Kloof gold mine in South Africa three workers died, twelve were injured and two others are still missing.It stated that the injured men are not in a critical condition.Rescue teams are still searching for the two who are missing.

BASE LENDING RATES

A.B.N. Bank	10 %	Heritable & Gen. Trust	10 %
Allied Irish Bank	10 %	■ Hill Samuel	§10 %
Amro Bank	10 %	C. Hoare & Co.	†10 %
Henry Ansbacher	10 %	Hongkong & Shanghai	10 %
Armco Trust Ltd.	11 %	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	10½%	Lloyds Bank	10 %
Banco de Bilbao	10 %	Mallinhall Limited	10 %
Bank Hapoalim	10 %	Edward Manson & Co.	11½%
BCCI	10 %	Meghraj and Sons Ltd.	10 %
Bank of Ireland	10 %	Midland Bank	10 %
Bank of Cyprus	10 %	■ Morgan Grenfell	10 %
Bank of India	10 %	National Bk. of Kuwait	10 %
Bank of Scotland	10 %	National Girobank	10 %
Banque Belge Ltd.	10 %	National Westminster	10 %
Barclays Bank	10 %	Norwich Gen. Tst.	10 %
Beneficial Trust Ltd.	11 %	People's Tst. & Sv. Ltd.	11 %
Brit. Bank of Mid. East	10 %	R. Raphael & Sons	10 %
■ Brown Shipley	10 %	P. S. Refson	10 %
CL Bank Nederland	10 %	Roxburghe Guarantee	10½%
Canada Perm'n't Trust	10 %	Royal Bk. of Scotland	10 %
Cayzer Ltd.	10 %	Royal Trust Co. Canada	10 %
Cedar Holdings	11 %	■ J Henry Schroder Wagg	10 %
■ Charterhouse Japhet	10 %	Standard Chartered	‖10 %
Choulartons	11½%	Trade Dev. Bank	10 %
Citibank NA	10 %	TCB	10 %
Citibank Savings	¶11¼%	Trustee Savings Bank	10 %
Clydesdale Bank	10 %	United Bank of Kuwait	10 %
C. E. Coates & Co. Ltd.	11 %	United Mizrahi Bank	10 %
Comm. Bk. N. East	10 %	Westpac Banking Corp.	10 %
Consolidated Credits	10½%	Whiteaway Laidlaw	10½%
Co-operative Bank	*10 %	Williams & Glyn's	10 %
The Cyprus Popular Bk.	10 %	Wintrust Secs. Ltd.	10 %
Dunbar & Co. Ltd.	10 %	Yorkshire Bank	10 %
Duncan Lawrie	10 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
■ Robert Fleming & Co.	10 %		
Robert Fraser & Ptns.	10½%		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		
■ Hambros Bank	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%, 1 month 7.50%. Fixed rate 12 months £2,500 7.5% £10,000, 12 months 8.00%.
† 7-day deposits on sums of under £10,000 6¾%, £10,000 up to £50,000 7¾%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

Sun Alliance reorganises

The following appointments have been made in the integrated management structure of the SUN ALLIANCE GROUP. Until integration is implemented, Phoenix officials will retain, in addition, their existing appointments. Mr R. J. Taylor is appointed general manager, home division. Mr J. G. Fordyce and Mr J. H. Bishop are appointed assistant general managers in that division. Mr K. Wilkinson is appointed general manager, overseas division. Mr R. Petty, Mr T. A. Hayes and Mr C. C. W. Huke are appointed assistant general managers in that division. Mr J. C. F. Peters becomes group aviation manager and underwriter, from January 1. From the same date, Mr D. Town will become group marine manager.

*

Mr Andrew King has been apointed managing director of WILLIAM ELLIS (ETCHINGHAM) a wholly-owned subsidiary of IDC Group. Mr Ron Monk, the existing managing director, will remain a director until he retires in March.

*

Mr Hugh S. Mellor, an executive director of Dalgety, has been appointed to the board of BURMAH OIL as a non-executive director.

*

UNITED TRANSPORT INTERNATIONAL, transport subsidiary of BET, has appointed three senior executives as directors: Mr John C. Clymo, London-based chairman of the United Transport Group in Kenya and Malawi. He joined the BET Group in 1951 and United Transport in 1974. Mr Ockie J. J. Goosen, chief executive of the United Transport Group in South Africa. He joined United Transport in 1967. Mr Peter B. Stead, chairman of the United Transport companies in Zimbabwe. He joined United Transport in 1956.

Mr Richard W. Hewett has been appointed chairman of READER'S DIGEST ASSOCIATION. He will continue as managing director.

*

Mr Michael Hehir has been appointed sales director of SHOTTON PAPER SALES. He was managing director, Bowater Newsprint Sales.

*

Mr Robert N. Cohen retires as chairman of A. COHEN & CO on November 17 on reaching the age of 80 years. He will remain a member of the board. Mr C. Anders Cohen will become chairman, Mr Matti Pylkkanen and Mr Roger Cohen will be joint managing directors. Mr Jim Ferguson, manager of the Glasgow foundry, has been appointed a director of A. Cohen & Co (Great Britain).

*

PIERSON HELDRING & PIERSON NV, Dutch bankers, has made the following board appointments for Channel Islands subsidiary, Pierson Heldring & Pierson (CI): Mr Francis J. Louden (chairman), Mr Chis G. Stone (managing director), Mr Geoffrey R. Rowland, Mr Antony Van Marken and Baron Ernest van Tuyll van Serooskerken.

*

Mr Ralph Halpern is to be chairman of the CBI marketing and consumer affairs committee. Mr Halpern, who is chairman of the Burton Group, succeeds Mr Ronald Halstead, chairman of Beecham Group.

*

CORNHILL INSURANCE GROUP has appointed Mr Roger C. Nixon as head of the marine and aviation division from January 1. He became London marine underwriter in July 1983 and succeeds Mr N. H. Matthews on his retirement.

UK COMPANY NEWS

Nottingham Mfg. extends after minimal acceptances

BY RAY MAUGHAN

THE £44M bid by Nottingham Manufacturing, a major knitwear supplier to Marks and Spencer, for Johnson Group Cleaners was cleared by the Office of Fair Trading yesterday as the offer was extended by two weeks until November 29.

Johnson's shares climbed 3p to 448p, against the 410p bid price, as Nottingham, headed by Mr Harry Djanogly, revealed that its ordinary offer had been accepted by holders of 0.3 per cent of the shares.

Employee shareholders, to whom Nottingham plans to offer 250p per share have accepted in respect of 10.5 per cent of that class of capital.

Writing to Johnson's shareholders, Mr Djanogly said that "your board's defence document is full of exhortation and hope without a foundation of fact and has patently failed to support its contention that our offer of 410p undervalues Johnson's ordinary shares."

Mr Djanogly noted that the service agreements of three Johnson directors were amended to run for five years from the beginning of October. He said: "The timing of these variations, on the day before our present approach, was not only somewhat fortuitous, they also appear to be in breach of Section 47 of the Companies Act 1980 as shareholders' approval was not sought to the extension of their agreements."

Nottingham and Johnson are agreed, the bidder said, that the use of current cost values (of Johnson's property assets) is "Quite unreal." Johnson's proposed property revaluation is yet "Another devious tactic in a desparate attempt to ward off any offer—no matter how beneficial to you as shareholders."

The bidder reckons that Johnson's asset value is 300p per share, "Even including the surplus of £24.6m shown by the property revaluation at the end of 1983. If, following the previous views of Mr John Crockatt (the Johnson chairman), the property revaluation is excluded, the net asset value per ordinary share is only 141p. Nottingham's offer of 410p represents an increase of 37 per cent or 191 per respectively over these asset values."

Drillship writedown plunges Common Bros. into £20m loss

EXCEPTIONAL DEBITS of over £17m relating to a drillship, IRO Frigg, have forced Common Brothers into pre-tax losess of £20.06m, against profits of £2.16m, for the year to the end of June 1984. Turnover fell sharply from £41m to £25.33m.

The final dividend has been passed and although the directors view the offshore drilling market with "much greater optimism" they do not see a significent improvement in general shipping in the near future.

In the last full year a single 1p payment was made. Losses per share are shown as 281p against earnings of 25.5p.

Operating losses came to £981,000 (profits £5.59m) which the directors say reflect a major turnround for IRO Frigg, from a profit of £8.1m to a loss of £1.6m, and includes a bad debt provision of £1m.

IRO Frigg, which was bought in 1981, completed a two-year drilling contract at the beginning of the year and received an early termination payment compensating for revenue up to November 1983. A major overhaul costing £1.4m was carried out. Since then the vessel has been laid up in West Africa.

The major change in IRO Frigg's results arose from the vessel being laid up after coming off charter. The directors have adjusted the book value of the drillship from $49m (£39m) to $25m, and exceptional provisions of £17.3m have been made.

The directors say the group's financial position is sound. Borrowings continued to reduce and at year end were £16.7m (£20.3m). An offer of finance has been received from the group's main bankers sufficient for the medium term.

Common is controlled by a Bermudan company, Norex Corporation, which is controlled by trusts of Mr Kristian Siem, chief executive of Common, and his family.

During the year the Veracruz performed well and a second ship Bermuda Star was delivered on bareboat charter in May for three years and options for a further 3½ years.

The LPG vessels continue to operate successfully under their time-charter commitments. Product tankers had a difficult year and efforts are being made to reduce the losses.

● comment

The market reacted with predictable horror to these figures from Common Brothers, taking the shares down 22p to 90p. Admittedly, the plight of the drillship IRO Frigg was known but the City did not expect the huge write-down in its value from $49m to $25m, which has cost Common Brothers £17.3m for its 80 per cent stake. This devaluation of its single biggest asset leaves the group with net assets of 116p per share, implying a reasonable discount of about 22 per cent. The company's two cruise ships' the livestock carrier and two LPG vessels are currently profitable, but the product tankers lose money and the bulk carrier barely breaks even. Given the state of the world shipping market it would be brave to anticipate great improvements in the current year. Common Brothers, 55 per cent-owned by Bermuda-based Norex Corporation, is essentially a speculative play on chief executive Kristian Siem's skill in finding new work for the Frigg.

Johnson Matthey rights causes confusion

By Ray Maughan

Share dealings in Johnson Matthey, the refining and speciality chemicals group, were variously described by traders yesterday as "chaotic" and "confused" in the wake of the publication on Wednesday of the company's rights issue document.

Early bargains were cancelled and unwounded when it was belatedly discovered that rather than trade on an "ex-rights" basis, the shares were being quoted "cum" the entitlement to take up the rights.

The differential, as trading halted at about 10.00 am, was about 12p with the ex-rights price at just under 108p. In the end the ex-rights price closed yesterday at 113p, down 6p.

Johnson Matthey plans to raise £25m through an issue of 8 per cent convertible cumulative preference shares and the ordinary share price was being calculated on the basis of immediate conversion.

However, the new stock will not be created until December 6 when an extraordinary meeting is called at 9.30 am to sanction the issue. And the market was unable to calculate the ex-rights price from the value of the nil paid rights. Subscriptions have to arrive not later than half an hour after the start of the meeting.

A. T. Mays buys Hunting Lambert

£Hill Samuel, a merchant bank, and Hunting Gibson, a diversified holding company, have sold Hunting Lambert, their retail travel business, to A. T. Mays group for £2.25m.

Hill Samuel owned 50 per cent of the company through its subsidiay Lambert Bros, with Hunting Gibson holding the remaining equity.

A. T. Mays is a Scottish-based retail travel group, with over 140 branches. Hunting Lambert, based in Newcastle upon Tyne, has 43 retail outlets and achieved pre-tax profits of £190,000 in the year to September 30 1983. Net assets at that date stood at £833,000.

* * *

Batig Gesellschaft Fuer Beteiligungen MBH, the West German operating group of BAT Industries, is seeking to expand into the financial services sector.

Mr Harald Erichsen, the chairman, said the expansion would be most easily realised through a German acquisition, but added no concrete developments are expected to emerge within the next 12 months.

Batig is seeking to add a fourth strand to its existing three main business areas, tobacco, home building materials and retailing. He did not rule out interest in the insurance sector.

* * *

The isue in the U.S. by Oce-van der Grinten of 1m ADR's representing 200,000 ordinary shares has taken place.

The ADR's have been issued at US$15,375. Gross proceeds amount to Fls 152.6m and have been used for early redemption of a 11.5 per cent subordinate loan of Fls 50m.

* * *

Kuwait Investment Office has increased its interest in Barratt Developments to 12.45m ordinary shares (7 per cent).

* * *

London Trust has reduced its holding in Barrow Hepburn Group to below 5 per cent of the voting capital.

Firth increases holding in East Lancs. to 9.2%

BY ALEXANDER NICOLL

G. M. Firth, a holding company headed by Mr Ian Wasserman, disclosed yesterday that it had increased its stake in East Lancashire Paper Group to 9.24 per cent from the 6.4 per cent holding revealed yesterday.

East Lancashire is fighting a £4.6m bid from British Syphon Industries, the drinks dispensing group chaired by Mr Bryan Morrall. The paper group's share price rose a further 2p to 95p yesterday, putting it above both the 85p cash alternative of the BSI offer and the 87p read-through value of BSI's 11-for-10 share offer.

Mr Wasserman said yesterday that he had bought shares in East Lancashire because he "liked the look of it." The majority of the purchases were made before BSI upped its bid earlier this week, he said.

Firth has diverse industrial interests including steel stockholding, but also lists share dealing among its activities. Mr Wasserman, a former Slater Walker executive, is believed to be eager to expand Firth's activities. He failed to win full control of Porter Chadburn, a brewery and marine engineering equipment group, with a bid earlier this year.

Pahang plans to scale down Barrie and Falcon stakes

BY RAY MAUGHAN

Pahang Investments has consulted the Takeover Panel and accordingly amended its original plans to take significant stakes in both Barrie Investments and Finance and Falcon Industries.

Earlier proposals envisaged Pahang taking a 28.08 per cent holding in Barrie on the basis of a one-for-three share exchange at 42p per Pahang share. The Malaysian-based tin mining and smelting group had also planned to buy 29.28 per cent of Falcon on a direct one-for-one exchange.

However, the City Code prohibits an immediate acquisition of more than 15 per cent in a target company so Pahang has agreed to buy 14.61 per cent of Barrie from Exurbia and a 13.02 per cent stake in Falcon from Broadica.

These deals are subject to the consent of the relevant authorities and Pahang shareholders.

Barrie was previously known as Abwood, predominantly a machine tool group, until Mr Andre Chai, a director of both Barrie and Pahang, introduced Barrie Vangar, a licensed deposit taker, to the company. The deal is thus subject to the Bank of England's consent to the retention of the licence to take deposits under the Banking Act.

* * *

The offer by C. H. Beazer (Holdings) for M. P. Kent has become unconditional in all respects. The new Beazer shares to be issued under the terms of the offer have been admitted to the Official List.

Mr B. C. Beazer has been appointed chairman of Kent and Mr H. A. Rees and Mr D. Evans have joined the board. Mr M. P. Kent, Mr G. A. Jiggins and Mr M. R. Davies have resigned from the board. Mr M. G. Martin remains a director of Kent and has been appointed managing director of its operating subsidiary.

BANK RETURN

	Wednesday November 14 1984	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	101,928,418	— 416,497,792
Bankers Deposits	796,716,960	+ 16,450,068
Reserve and other Accounts	1,510,910,554	+ 32,552,240
	2,424,108,932	— 367,495,484
Assets		
Government Securities	449,881,961	— 12,320,000
Advance & other Accounts	716,391,527	— 30,168,181
Premises Equipment & other Secs.	1,252,066,717	— 317,388,014
Notes	5,677,522	— 7,648,287
Coin	162,205	+ 28,998
	2,424,108,932	— 367,495,484
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	12,020,000,000	— 30,000,000
in circulation	12,014,322,478	— 22,351,713
in Banking Department	5,677,522	— 7,648,287
Assets		
Government Dept	11,015,100	—
Other Government Securities	951,753,768	+ 17,871,336
Other Securities	11,057,231,132	— 47,871,336
	12,020,000,000	— 30,000,000

SECTION III – INTERNATIONAL MARKETS
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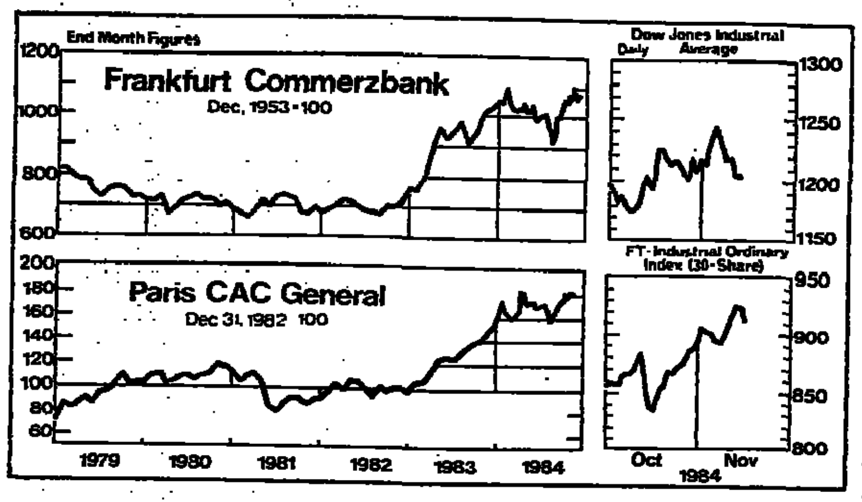
KEY MARKET MONITORS



STOCK MARKET INDICES

	Nov 15	Previous	Year ago
NEW YORK			
DJ Industrials	1,206.16	1,206.93	1,247.97
DJ Transport	525.67	526.74	596.6
DJ Utilities	144.23	143.62	136.95
S&P Composite	165.89	165.99	165.36
LONDON			
FT Ind Ord	911.6	923.7	721.8
FT-SE 100	1,164.9	1,181.5	906.9
FT-A All-share	552.11	558.1	452.97
FT-A 500	602.3	609.74	486.43
FT Gold mines	581.2	578.2	493.0
FT-A Long gilt	10.00	10.05	10.05
TOKYO			
Nikkei-Dow	11,301.62	11,320.90	9,379.29
Tokyo SE	856.71	856.93	687.92
AUSTRALIA			
All Ord.	779.7	778.4	708.1
Metals & Mins.	474.8	475.2	514.6
AUSTRIA			
Credit Aktien	57.56	57.54	54.2
BELGIUM			
Belgian SE	160.90	161.26	128.16
CANADA			
Toronto			
Metals & Minls	2,014.89	2,022.4	2,330.0
Composite	2,411.58	2,413.7	2,458.9
Montreal			
Portfolio	119.98	120.13	121.25
DENMARK			
Copenhagen SE	170.65	170.41	191.84
FRANCE			
CAC Gen	180.5	180.4	143.3
Ind. Tendance	119.0	118.5	91.2
WEST GERMANY			
FAZ-Aktien	369.28	370.5	342.02
Commerzbank	1,080.1	1,083.8	1,016.8
HONG KONG			
Hang Seng	1,074.84	1,077.93	855.72
ITALY			
Banca Comm.	211.14	211.99	185.08
NETHERLANDS			
ANP-CBS Gen	176.0	178.9	140.5
ANP-CBS Ind	137.9	140.5	112.6
NORWAY			
Oslo SE	285.23	283.88	197.06
SINGAPORE			
Straits Times	804.50	801.70	934.33
SOUTH AFRICA			
Golds	1,095.5	1,099.0	771.0
Industrials	910.6	904.2	900.1
SPAIN			
Madrid SE	138.04	137.69	126.67
SWEDEN			
J & P	1,353,93	1,342.39	1,422.33
SWITZERLAND			
Swiss Bank Ind	377.5	379.2	350.6
WORLD	Nov 14	Prev	Year ago
Capital Int'l	186.8	187.3	181.1

GOLD (per ounce)

	Nov 15	Prev
London	$344.00	$345.75
Frankfurt	$343.75	$346.25
Zürich	$343.75	$346.00
Paris (fixing)	$345.49	$347.68
Luxembourg (fixing)	$345.70	$346.25
New York (Dec)	$345.80	$347.80

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Nov 15	U.S. DOLLAR Previous	STERLING Nov 15	STERLING Previous
$	–	–	1.2625	1.2605
DM	2.961	2.971	3.7425	3.7425
Yen	242.35	242.35	305.5	306.5
FFr	9.0875	9.115	11.485	11.4825
SwFr	2.441	2.4475	3.08	3.0825
Guilder	3.3455	3.3485	4.22	4.21
Lira	1,841.0	1,847.5	2,324.75	2,322.0
BFr	59.75	59.85	75.55	75.5
C$	1.31645	1.31555	1.6605	1.66

INTEREST RATES

	Nov. 15	Prev
Euro-currencies (3-month offered rate)		
£	10⅞	10
SwFr	5 9/16	5⅛
DM	5⅞	5⅞
FFr	11¼	11¼
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 15/16	9¾
6-month U.S.$	10¼	10
U.S. Fed Funds	9 5/16	9 5/16
U.S. 3-month CDs	9.55	9.25
U.S. 3-month T-bills	8.66	8.745

U.S BONDS

Treasury	Nov 15* Price	Nov 15* Yield	Prev Price	Prev Yield
11⅝ 1986	101 11/32	10.77	101 9/32	10.87
12¼ 1991	102 29/32	11.55	102 13/32	11.73
11⅝ 1994	99 10/32	11.74	98 30/32	11.81
11¾ 2014	100 11/32	11.71	99 23/32	11.78
Corporate	Nov 15* Price	Nov 15* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	94⅝	11.70	94⅝	11.70
3⅜ July 1990	72	10.65	72	10.65
8⅜ May 2000	76⅝	12.20	76⅝	12.20
Xerox				
10⅛ March 1993	92⅝	12.10	92⅝	12.10
Diamond Shamrock				
10⅜ May 1993	91	12.35	91	12.35
Federated Dept Stores				
10⅞ May 2013	86⅜	12.30	86⅜	12.30
Abbot Lab				
11.80 Feb 2013	93.80	12.60	93.80	12.60
Alcoa				
12¼ Dec 2012	95¼	12.80	95¼	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Dec	70–19	70–26	69–24	70–05
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Dec	91.36	91.42	91.12	91.21
Certificates of Deposit (IMM)				
$1m points of 100%				
Dec	90.58	90.63	90.29	90.37
LONDON				
Three-month Eurodollar				
$1m points of 100%				
Dec	90.01	90.01	89.87	90.04
20-year Notional Gilt				
£50,000 32nds of 100%				
Dec	109–15	109–25	109–05	109–17

COMMODITIES

(London)	Nov. 15	Prev
Silver (spot fixing)	601.10p	603.40p
Copper (cash)	£1,058.00	£1,064.25
Coffee (Nov)	£2,587.50	£2,608.00
Oil (spot Arabian light)	$27.95	$28.05

WALL STREET

Deficit still acts as a restraint

A WELCOME rally on Wall Street credit markets yesterday reversed an early dip in stock prices, but failed to soothe any of the re-emerging nervousness over Federal Reserve policies and the federal deficit, *writes Terry Byland in New York.*

The stock market turned higher when short-term rates fell sharply after the Fed moved into the market with a further addition of liquidity through overnight system repurchases. Gains in the bond market ranged to a full point.

The stock market was unable to sustain its upswing, however, and prices fell back after mid-session. The final hour brought another, milder rally behind renewed strength in the bond market. By the close the Dow Jones industrial average at 1,206.16 showed a net fall of only 0.77 points. Turnover increased again, to show a shares traded total of 82.3m.

The Fed's system repurchases, announced when the funds rate stood at 9 5/16 per cent, continued a steady flow of official help over the past week. The latest assistance was recorded as purely technical, aimed at smoothing over yesterday's payments for $17.5bn in Treasury Securities auctioned last week.

The bond markets remain convinced that any easing in credit policies by the Fed has now been completed, and are also unsure of the Reagan Administration's ability to cut the federal deficit. There is also uncertainty over the pace of the economy, with some analysts suggesting that money supply is rising again.

Selling of U.S. bonds by foreign investors died away, and the rally in prices strengthened after the Treasury announced plans for a second foreign-targeted issue of $1bn in five-year notes. While the new issue may not fare as well as the first offering to foreigners, the Treasury's decision appeared to indicate satisfactory overseas support for foreign-targeted issues.

The stock market opened lower despite an early rally in bond prices. At mid-morning, the market was down by four Dow points, and within three points of the 1,200 mark. However, with federal funds at 9½ per cent, and Treasury bill rates down by 12 basis points after the Fed's intervention, stock prices tried to turn upwards.

Major industrials looked mixed, with IBM trading $½ down at $122⅜, General Motors $1¼ off at $76⅞ and Texas Instruments $⅛ down at $27⅛. General Electric, however, traded $¼ better at $5⅜ and Monsanto $¼ higher at $45½.

Oil shares brightened after a major brokerage house reviewed prospects for the sector. Speculative issues fared best with Unocal, a favourite bid hope, $2¼ up at $43¼. Also strong was Phillips Petroleum, $1½ higher at $44½.

Uncertainty over the pace of consumer spending was fed by further results from major retailers, and by the disclosure of further expansion in U.S. consumer credit in September. After good results, Woolworth rose $½ to $37, but a drop of 27 per cent in profits at R.H. Macy, the New York-based department store, took $⅞ off the stock to $42.

In banks, BankAmerica finished down $¼ at $18⅝ and First Chicago was sold down to $20⅜ a fall of $1 on the disclosure that the Securities and Exchange Commission was examining past loan charge-offs.

On the bid front, City Investing shed a further $⅜ to $38⅛ after First Boston, its financial adviser, valued the company at $45.10 a share.

In the money markets bank Certificates of Deposit rates, which have been moving higher this week, turned down to show falls of five to 15 basis points. But Treasury bill rates displayed the sharpest falls among short-term instruments.

In the bond market, the widespread gains in price indicated the effects of the appearance of modest buying orders. The key long bond, the 11¾ per cent of 2014, put on a full point to 100 11/32.

LONDON

Sellers set to plug in to Telecom

INVESTORS in London held back again yesterday awaiting announcement of the issue price for British Telecom shares, due today. The resulting lull in demand allowed many leading industrial stocks to drift back from the recent records.

The pace of the fall accelerated as equity dealers seized the opportunity to shake-out any nervous short-term holders.

Poor half-yearly results from electrical leader Plessey, down 16p to 210p, unsettled the market generally. Blue chip issues weakened further and the FT Industrial Ordinary index, which started the session less than a point lower, fell progressively to close 12.1 down at the day's worst of 911.6.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36–37

SINGAPORE

SELECTIVE BUYING continued to encourage a tentative Singapore rally, but trading quietened and demand faded well before the close.

Blue chip banks and industrials, which have led this week's revival, made less notable progress. Sime Darby, unchanged at S$1.93, remained active

With falls matching rises overall, the Straits Times industrial index could manage only a 2.89 gain to keep it above its 800 support level at 804.59.

HONG KONG

AFTERNOON bargain-hunting lifted Hong Kong off midsession lows but still left most leading issues weaker on the day in moderate dealings.

Hongkong Land managed a 5-cent advance to HK$3.57 but Swire Pacific and Hutchinson Whampoa both came under selling presure.

AUSTRALIA

ACTIVITY increased in Sydney, according good rises to resource, industrial and banking issues alike, although more than half national turnover was accounted for by a North Broken Hill placement arising from its absorption of EZ Industries.

The new parent dipped a cent to A$2.29 but elsewhere BHP added a further 5 cents to A$10.75

SOUTH AFRICA

A FIRM start by Johannesburg golds later gave way, but heavy selling remained absent.

FS Geduld fell R1.50 to R59, one of the steeper falls, while among the mining houses Gold Fields of SA dipped 25 cents to R30 and Anglo-American added 20 cents at R24.85. Industrials remained buoyed by interest rate hopes.

EUROPE

Foreigners opt out of Amsterdam

FOREIGN SELLING pressure in an **Amsterdam** market almost devoid of new buyers left shares sharply lower in active trading yesterday.

The selling, much of it from West Germany and the UK, was attributed to concern over the impact of the U.S. economic outlook and future direction of American interest rates, together with an element of profit-taking in the wake of the all-time high prices seen in the Dutch market late last month.

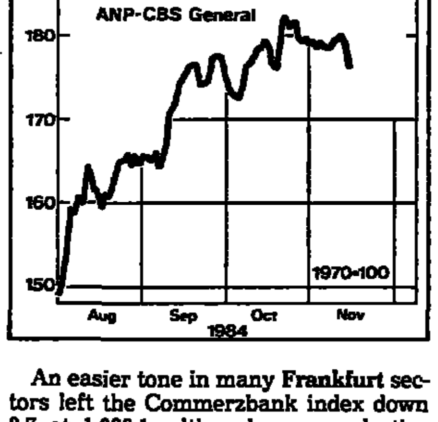
The sales left the ANP-CBS General index 2.9 lower at 176, with the downturn led by the international sector.

Akzo continued under pressure, shedding Fl 3.30 to Fl 91.50, while Unilever fell Fl 6.50 to Fl 297, ex its Fl 4.66 dividend. Hoogovens dipped Fl 2.40 to Fl 61.60 and KLM Fl 1.30 to Fl 41.30.

Banks were mostly weaker with ABN down Fl 5 to Fl 333. Among insurers, Amev eased Fl 5.80 to Fl 188, Aegon Fl 3 to Fl 130 and Nat-Ned Fl 2 to Fl 240.

Publisher Elsevier was Fl 2 lower at Fl 107 and VNU eased Fl 2 at Fl 189.20.

Bonds eased in moderate trading with the lower prices failing to find much new demand.



An easier tone in many **Frankfurt** sectors left the Commerzbank index down 3.7 at 1,080.1, although some selective demand was seen.

Among motor manufacturers, Volkswagen in particular found early support and it held on to DM 1.90 of the gains to close at DM 196, after a high of DM 198.50. Porsche added DM 13 to DM 1,010 while BMW recovered from an early decline to pick up 80 pfg to DM 375.50.

In chemicals, Hoechst ended 50 pfg lower at DM 177 despite its higher nine-month profits announced on Wednesday while BASF, which is expected to release results today, eased 20 pfg at DM 169.80.

Siemens gave up early gains to close DM 2 lower at DM 452 while AEG dipped 30 pfg to DM 105.50.

Bonds were lower in lacklustre trading in the absence of fresh buying interest. The Bundesbank bought DM 21.9m of paper after taking up DM 5.9m on Wednesday.

Zurich spent a cautious session with a narrowly mixed performance by the banking sector. Swiss Bank Corp dipped SwFr 2 to SwFr 353 despite comments by the general manager that he is confident of the outlook for 1985 and confirmation of an earlier forecast that 1984 profits will exceed last year's record.

Financials ended mostly easier and insurances drifted lower on profit taking after the recent strong gains.

Bonds ended steady in quiet trading.

A mixed to higher tone emerged in **Paris** with prices deriving some impetus from the announcement that retail price growth was moderate in October.

Some of the largest gains were posted by retailers with Redoute up FFr 41 to FFr 1,201.

A halt was called in **Stockholm** to the downward drift that has taken the Jacobson & Ponsbach index to lows for the year during the previous two sessions. The measure picked up 11.54 to 1353.93. Alfa-Laval recorded the largest gain, adding SKr 8 to SKr 178 although volume was restricted. Asea, however, was actively traded adding SKr 6 to SKr 370.

Brussels was lower with Groupe Bruxelles Lambert down BFr 15 to BFr 2,300 but Societé Générale de Belgique recovering BFr 10 to BFr 1,800 after its recent losses.

Milan was also easier although shares ended above their lows while **Madrid** managed a moderate advance.

TOKYO

An ascent for the airlines

A SLIGHT downturn was seen in Tokyo shares yesterday with investor interest still limited to medium and low-priced incentive-backed issues, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average shed 19.28 to 11,301.62 as volume dipped to 396.52m shares from 415.37m. Declines outnumbered advances 367 to 343, with 167 issues unchanged.

All Nippon Airways (ANA) topped the most active list, with 19.72m shares changing hands and European institutional investors placing buy orders for some 2m shares. ANA, seen as undervalued compared with Japan Air Lines JAL, the nation's flag carrier, jumped Y20 to Y407, while JAL firmed Y30 at Y5,530.

Meidensha Electric, for which the daily price fluctuation range was halved this week from Y100 to Y50, closed Y26 higher at Y558 after erratic movements.

Sumitomo Light Metal attracted large-scale buy orders, rising Y20 to Y371. The company announced recurring profit of Y374m for the first half, a major turnround from its Y4.245bn recurring loss a year earlier. Tokico added Y17 to Y600 on the strength of brisk demand for auto parts.

Biotechnology-related food stocks were steady with Kikkoman gaining Y29 to Y754 and Kagome Y64 to Y980. Meito Sangyo soared Y560 to Y5,960, while Ihara Chemical Industry scored a daily limit gain of Y100 to Y1,090.

Medium-priced heavy electricals, popular the previous day, were dull. Takaoka Electric lost Y27 to Y285 and Osaka Transformer Y28 to Y391.

Blue chips were mixed. Hitachi dropped Y9 to Y860 but Matushita Electric Industrial edged up Y10 to Y1,600. Toho and Kokusai Denshin Denwa spurted Y780 and Y400 to Y113,980 and Y26,300 respectively.

Bond prices fell. Selling increased as a rise in U.S. interest rates reduced the possibility of the Federal Reserve Board lowering the official discount rate. The yield on the barometer 7.3 per cent long-term government bonds, maturing in December 1993, leaped from 6.670 per cent on the previous day to 6.753 per cent.

CANADA

THE BANKING sector encountered busy Toronto dealings but prices, as in most other areas of the market, were little altered. Golds traded poorly, and oil and gas issues also drew sellers.

A marginally weaker bias emerged in Montreal.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	12¼	AAR	.48	2.2	19	6	21⅞	21½	21⅞	
30½	9⅞	AGS			9	71	11	10⅞	10⅞	-¼
16¼	13¼	AMF	.50	3.2	86	79	15⅝	15⅜	15½	-¼
41⅞	24¼	AMR			5	1905	31⅞	30⅝	31¼	-⅞
20⅞	18¼	AMR pf2.19		11		4	19⅞	19⅞	19⅞	
41½	27½	AMR pf2.13		6.6		125	32½	32	32¼	-½
25¼	22⅞	ANR pf2.57		12		x8	23	23	23	
16¼	8½	APL			3	28	12⅞	12½	12⅝	-⅛
70⅞	40¼	ARA	2.10	3.0	13	1268	70½	70	70	-⅞
68¼	44⅞	ASA	3a	5.1		361	59⅞	58⅞	58⅞	-¼
30⅞	16½	AVX	.32	1.7	11	231	18⅞	18⅝	18⅞	
50½	36⅞	AbtLab	1.20	2.8	13	3287	42⅞	42¼	42⅞	
23⅞	16½	AccoWd	s		19	29	23	22⅞	23	+⅛
27¼	12½	AcmeC	.40	2.7		14	15	14⅞	14⅞	-¼
12⅞	8½	AcmeE	.32b	3.4	13	5	9½	9⅜	9⅜	
18⅞	15	AdaEx	2.11e	13		171	16½	16¼	16⅞	-⅛
18⅝	11⅞	AdmMl	.32	2.1	8	18	15⅞	15¼	15⅞	+⅛
22	13½	AdvSys	.81t	5.9	13	239	14¼	13⅝	13⅝	-⅝
41½	25⅞	AMD			13	5023	30¼	29½	29⅞	-¼
14⅝	7⅞	Adverst	.12	1.4		38	8½	8½	8½	-⅛
16¼	8¼	Aerflex			11	54	12	11⅞	12	+⅛
39	27¼	AetnLf	2.64	7.5	29	890	35⅞	34⅞	35¼	+⅛
58½	52⅞	AetL pf5.78e		10		150	55⅞	55¼	55¼	
34½	15⅞	Ahmns	1.20	4.9	11	389	24⅞	24¼	24½	-⅛
5½	2⅝	Aileen				66	2⅞	2⅝	2⅝	
48⅞	36½	AirPrd	1.20	2.6	10	357	45⅝	45¼	45⅞	
30⅞	13	AirbFrt	.60	3.1	11	48	19⅞	19⅜	19⅞	
3⅝	1⅞	AlaMoa	.50e	13.		55	3⅝	3⅞	3⅝	+⅛
31⅞	26⅞	AlaP pfA3.92		13.		17	30⅝	30½	30⅝	+⅛

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full

WORLD STOCK MARKETS

AUSTRIA

Nov. 15	Price Sch.%	+ or —
Creditanstalt	220	+2
Goesser	328	+2
Interunfall	388	.....
Laenderbank	219	+1
Perlmooser	353	+3
Steyr Daimler	153	.....
Veitscher Mag.	240	-4

BELGIUM/LUXEMBOURG

Nov. 14	Price Frs.	+ or —
B.B.L.	1,810	.....
Bekaert B	4,350	-150
Ciment CBR	2,570	-60
Cockerill	293	-3
Delhaize	5,710	+10
EBES	2,800	.....
Electrobel	8,510	.....
Fabrique Nat	2,180	-20
GB Inno BM	3,225	+70
GBL (Brux)	2,300	-15
Gevaert	3,590	-10
Hoboken	6,150	-50
Intercom	2,150	.....
Kredietbank	7,460	-10
Pan Hldgs.	9,730	-260
Petrofina	7,330	.....
Royale Belge	10,000	.....
Soc. Gen. Banq.	3,250	+20
Soc. Gen. Belge	1,800	+10
Sofina	8,050	-100
Solvay	4,360	+15
Stanwick Intl.	1,410	.....
Tractionel	4,040	-60
UCB	6,110	-10
Wagon Lits	2,460	-30

DENMARK

Nov. 15	Price Knr %	+ or —
Andelsbanken	278	-2
Baltic Skand	565	.....
CopHandelsbank	274	-1
D. Sukkerfab	545	-5
Danske Bank	272	-1
De Danske Luft.	1050	.....
East Asiatic	169	-2
Forenede Brygg.	740	-25
Forenede Damp.	95	-7
GNT Hldg	390	.....
I.S.S.B.	400	+10
Jyske Bank	505	.....
Novo Ind.	1,345	+55
Privatbanken	243	-1
Provinsbanken	336	.....
Smidth (F.)	233	+1
Sophus Berend	910	.....
Superfos	447	-4

FRANCE

Nov. 14	Price Frs.	+ or —
Emprunt 4½% 1973	1,725	.....
Emprunt 7% 1973	9,109	+9
Accor	238.8	-0.2
Air Liquide	551	+1
BIC	489	-2
Bongrain	1,765	-20
Bouygues	650	+9
BSN Gervais	2,410	+10
CIT Alcatel	1,068	.....
Carrefour	1,892	+10
Club Mediter'n	1,031	-9
Cie Bancaire	584	.....
Cofimeg	234	+5.9
Damart	2,340	+40
Darty	1,181	.....
Dumez S.A.	655	.....
Eaux (Cie Gen)	537	+2
Elf Aquitane	236.5	+1
Essilor	2,840	-11
Gen. Occidentale	676	-1
Imetal	85.5	+1
Lafarge Coppee	370.3	-3.7
L'Oreal	2,520	+20
Legrand	1,933	-17
Maisons Phenix	168	+4
Matra S.A.	1,766	-19
Michelin B.	790	-58
Midi (Cie)	1,794	-126
Moet Hennessy	1,794	+1
Moulinex	94	-1
Nord Est.	71	+0.4
Pernod Ricard	730	-8
Perrier	489.1	-1
Petroles Fra.	237	.....
Peugeot S.A.	207	+0.4
Printemp. Aus.	176.1	-7.7
Radiotech	221.5	-3.8
Redote	1,201	+41
Rousel-Uclaf	1,661	.....
Sefimeg	278.5	+6.5
SkisRossignol	1,690	-35
Telemech Elect.	2,080	+2
Thomson CSF	365	.....
Valeo	238.3	+0.3

GERMANY

Nov. 15	Price Dm.	+ or —
AEG Telef.	105.5	-0.3
Allianz Vers	1,020	-20
BASF	169.8	-0.2
Bayer	181.2	-0.7
Bayer-Hypo	310	-5
Bayer-Verein.	323.5	-3.5
BHF-Bank	276	-5
BMW	375.5	+0.6
Brown Boveri	194.8	-1.2
Commerzbank	174.7	-1.8
Cont'l. Gummi	118.5	-0.2
Daimler-Benz	557	-4.5
Degussa	368	+2.9
D'sche Babcock	147	-1.5
Deutsche Bank	376.5	-2.5
Dresdner Bank	185.1	-2.1
GHH	154.2	-1.3
Hochtief	470	.....
Hoechst	177	-0.5
Hoesch Werke	105.8	-0.2
Holzmann (P.)	349	-3.5
Horten	180.9	-1.1
Hussel	280	-5
Karstadt	241	-4
Kaufhof	227.8	-4.7
KHD	256	-0.5
Kloeckner	72	+0.5
Linde	362	+1
Lufthansa	178.5	-0.5
MAN	147	+0.5
Mannesmann	151.3	-1.5
Mercedes Hld.	486	-1
Metallgesell	217	-3.1
Munech Rueck	1,190	+20
Nixdorf	531.5	-3.3
Porsche	1010	+13
Preussag	251.5	-0.5
Rhein West Elect	166	-0.7
Rosenthal	255	-0.7
Schering	399	-5
Siemens	452	-2
Thyssen	83.0	+0.2
Varta	178	-2
Veba	168	-0.5
V.E.W.	121.4	+0.3
Verein-West.	293	.....
Volkswagen	*196*	+2.9

ITALY

Nov. 15	Price Lira	+ or —
Banca Com'le	15,500	-150
Bastogi-IRBS	109.00	-1
Centrale	2101	-14
Credito Varesino	*3,840*	-40
Fiat	1,820	-10
Finsider	46.25	+0.25
Generali Assicur.	30,200	-450
Invest	3,798	.....
Italcementi	59,210	-110
La Rinascenti	483	-3
Montedison	1,165	-11
Olivetti	5,954	-83
Pirelli Co.	3,020	+10
Pirelli Spa	1,721	-31
Snia BPD	1,945	+15
Toro Assic.	*11,620*	-79
do. Pref	8,501	-89

NETHERLANDS

Nov. 15	Price Fls	+ or —
ACF Holding	180	-3
AEGON	130	-3
Ahold	179.5	-4.3
AKZO	91.5	-3.3
ABN	333	-5
AMEV	168	-5.8
AMRO	62.5	-1.5
Bredero Cert.	164	-0.5
Bos Kalis Westm.	17	-1.2
Buehrmann-Tet.	66.2	-2
Calland Hldgs.	31	-0.7
Dordtsche Pet'm	154.5	-1
Elsevier-NDU	107	-2
Fokker	70.1	-0.9
Gist Brocades	157	-3
Heineken	138.8	-1.7
Hoogovens	61.8	-2.4
Int Mueller	37.0	-0.2
KLM	41.3xc	-1.3
Naarden	43.3	-0.7
Nat Ned Cert	240	-2
Ned M d Bank	145	.....
Nedlloyd	144	-1
Oce Grinten	270.5	-1.5
Ommeren (Van)	26.8	-0.5
Pakhoed	59.7	-0.5
Philips	54.5	-1.3
Robeco	67	-0.5
Rodamco	134.4	.....
Rolinco	63.2	-0.3
Rorento	42.3	-0.1
Royal Dutch	172.3	-1.3
Unilever	297	-6.5
VMF Stork	133	-1
VNU	189.2	-2
West Utr Bank	103	-2

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Nov. 15	Price Kroner	+ or —
Bergens Bank	156	-4
Borregaard	307.5	-0.5
Christiania Bank	159.5	-0.5
DenNorske Cred	160	.....
Elkem	125.5	.....
Kvaerner	175	-2.5
Norsk Data	386	+21
Norsk Hydro	116.5xa	-1
Storebrand	197	.....

SPAIN

Nov. 15	Price Pta%	+ or —
Bco Bilbao	319	.....
Bco Central	325	-2
Bco Exterior	202	.....
Bco Hispano	220	.....
Bco Popular	368	+3
Bco Santander	323	-1
Dragados	154	+2
Hidrola	72.5	-0.5
Iberduero	*80.2*	*+0.5*
Petroleos	134.5	+2.5
Telefonica	89.5	+1

SWEDEN

Nov. 15	Price Kronor	+ or —
AGA	341	.....
Alfa-Laval	178	+8
ASEA (Free)	370	+6
Astra (Free)	345	+5
Atlas Copco	97	.....
Cardo (Free)	225	+5
Cellulosa	116	.....
Electrolux B	219	+4
Ericsson	317	-3
Esselte	255	+5
Mo Och Domsjo	232	+14
Pharmacia	179	-1
Saab Scania Free	400	.....
Sandvik	370	.....
Skandia	290	-5
Skan Enski'da	63	.....
SKF	156	+1
St Kopparbergs	150	-5
Sven Handlesbn.	179	.....
Swedish Match	233	+3
Volvo B (Free)	204	+3

SWITZERLAND

Nov. 15	Price Frs.	+ or —
Alusuisse	755	-5
Bank Leu	3,700	-10
Brown Boveri	1,370	-20
Ciba Geigy	2,440	-20
do. (Part Certs)	1,930	-30
Credit Suisse	2,300	.....
Elektrowatt	2,510	-10
Fischer (Geo.)	615	+5
Hoff-RochePtCts	89,500	-375
Hoff-Roche 1/10	8,925	-75
Jacobs Suchard	6,050	-75
Jelmoli	1,900	.....
Landis & Gyr	1,540	-5
Nestle	5,280	-20
Oer-Buehrle	1,330	-10
Pirelli	245	+2
Sandoz (Br)	7,100	-100
Sandoz (PtCts)	1,135	-10
Schindler (PtCts)	630	-1
Sika	*1,020*	*+20*
Surveillance	3,685	.....
Swissair	1,010	.....
Swiss Bank	353	-2
Swiss Reinsce	7,625	-125
Swiss Volksbk	1,460	+5
Union Bank	3,400	-10
Winterthur	3,240	-10
Zurich Ins.	18,000	-25

AUSTRALIA

Nov. 15	Price Aust $	+ or —
ANZ Group	5.41	-0.04
Alliance Oil Dev.	1.05	.....
Ampol Pet	1.84	-0.01
Ashton	0.87	.....
Aust Cons Ind.	1.96	-0.01
Aust. Guarantee	3.15	+0.25
Aust. Nat. Inds	2.63	-0.01
Aust. Paper	2.35	.....
Bell Group	5.7	+0.1
Bell Res.	5.5	+0.14
Bond Corp Hldgs	1.63	-0.02
Boral	3.31	+0.05
Bougainville	1.98	-0.01
Brambles Inds.	3.52	-0.02
Bridge Oil	2.85	.....
B.H. Prop.	10.75	+0.05
CRA	5.46	.....
CSR	3.08	-0.02
Carlton Utd.	4.30	.....
Castlemaine Tys.	5.04	-0.02
Coles (G.J.)	4.24	+0.02
Comalco "A"	2.58	.....
Consolidated Pet	0.58	-0.01
Costain Aust	1.45	.....
Dunlop Aust.	1.89	-0.01
Elders IXL	6.24	-0.06
Energ Res.	1.48	-0.02

AUSTRALIA (continued)

Nov. 15	Price Aust. $	+ or —
Gen Prop Trust	2.23	-0.02
Hardie (James)	3.33	-0.02
Hartogen Energy	*2.35*	*+0.75*
Herald W'yTimes	4.25	-0.1
ICI Aust.	2.15	+0.05
Jimberlana F.P.	0.46	.....
Kia Ora Gold	0.14	.....
Lend Lease	5.6	.....
MIM	2.85	-0.02
Mayne Nickless	3.65	-0.05
Myer Emporium	1.8	-0.01
Nat. Aust. Bank	3.73	-0.04
News	9.46	.....
Nicholas Kiwi	5.1	.....
North Bkn Hill	2.29	-0.01
Oakbridge	0.75	.....
Pancont'l	1.3	.....
Pioneer Conc.	1.66	-0.01
Poseidon	3.75	+0.1
Queensland Coal	1.19	+0.02
Reckitt & Coln.	3.1	-0.05
Repco	1.26	-0.01
Santos	6.5	-0.06
Smith (Howard)	3.9	+0.02
Thos. Natwide.	1.8	-0.01
Tooth	5.7	.....
Vamgas	3.55	.....
Western Mining	3.45	-0.03
Westpac Bank	4.04	+0.02
Woodside Petrol.	1.19	-0.01
Woolworths	2.73	+0.01
Wormald Intl	3.82	-0.25

HONG KONG

Nov. 15	Price H.K.$	+ or —
Bank East Asia	21.6	-0.3
Cheung Kong	8.55	-0.1
China Light	16.3	-0.1
Evergo	1.48	-0.02
Hang Seng Bank	38.5	.....
HK Electric	6.3	.....
HK Kowloon Wh.	4.37	.....
HK Land	3.57	+0.05
HK Shanghai Bk.	6.75	-0.05
HK Telephone	45	-0.75
Hutchison Wpa.	15.2	-0.1
Jardine Math.	7.65	-0.2
New World Dev.	4.1	-0.02
Orient O'seas	2.65	.....
Oseas Trust Bk.	2.6	.....
SHK Props.	7.2	-0.1
Shell Elect.	1.68	.....
Swire Pac A	19.7	+0.2
TV—B	4.8	-0.1
Wheel'k Mard A.	3.8	-0.02
Wheel'k M'time	1.46	.....
World Int. Hldgs.	1.42	-0.01

JAPAN

Nov. 15	Price Yen	+ or —
Ajinomoto	1,120	.....
Alps Electric	2,070	+30
Amada	1,100	-20
Asahi Chem	569	-2
Asahi Glass	826	-18
Bridgestone	560	+4
Canon	1,530	+10
Casio Comp.	1,620	-40
Chugai Pharm.	1,040	+20
Citizen	598	.....
Daiei	640	.....
Dai Nippon Ptg	1,020	+20
Daiwa House	535	-4
Ebara	360	+2
Eisai	1,320	+40
Fanuc	11,650	+100
Fuji Bank	1,020	-30
Fuji Film	1,570	-10
Fujisawa	1,060	+60
Fujitsu	1,400	+10
Green Cross	1,660	+30
Hasegawa	360	+5
Heiwa Real Est.	656	-11
Hitachi	860	-9
Hitachi Credit	*1,130*	*-10*
Honda	1,270	+20
House Food	718	-7
Hoya	2,600	.....
Itoh (C)	302	+2
Ito. Yokado	2,500	-10
Iwatsu	1,440	+40
JACCS	317	-3
JAL	5,550	+30
Jusco	785	+36
Kajima	275	+1
Kao Soap	789	-1
Kashiyama	634	-4
Kirin	540	+1
Kokuyo	840	+5
Komatsu	437	-1
Konishiroku	569	-1
Kubota	322	+1
Kumagai	427	-17
Kyoto Ceramic	7,570	-30
Maeda Const.	469	-1
Muakino Milling	1,310	.....
Myakita	1,080	+20
Marubeni	300	-2
Marudai	541	-31
Marui	1,100	+10
MEI	1,600	+10
M'ta Elec Works	640	+5
M'bishi Bank	1,020	-10
M'bishi	514	.....
M'bishi Elec.	410	-4
M'bishi Estate	488	+2

JAPAN (continued)

Nov. 15	Price Yen	+ or —
MHI	235	+2
Mitsui Co	324	.....
Mitsui Estate	680	+1
Mitsukoshi	345	+1
NGK Insulators	930	-5
Nihon Cement	209	-1
Nippon Denso	1,450	-10
Nipphn Elect	1,270	.....
Nippon Express	326	.....
Nippon Gakki	1,560	.....
Nippon Kokan	137	-1
Nippon Oil	933	-5
Nippon Seiko	712	+12
Nippon Shimpan	547	-1
Nippon Steel	155	.....
Nipppon Suisan	325	-4
NTV	13,960	+210
Nippon Yusen	234	+5
Nissan Motor	601	+1
Nisshin Flour	480	+5
Nisshin Steel	170	.....
Nomura	748	-5
Olympus	1,120	+10
Orient Leasing	3,450	.....
Pioneer	2,320	+40
Renown	658	-6
Ricoh	966	-14
Sankyo	950	+4
Sanyo Elect.	513	-1
Sapporo	390	-6
Sekisui Prefab	578	+3
Seven-Eleven	9,090	+20
Sharp	1,060	-10
Shimadzu	770	+20
Shionogi	695	+1
Shiseido	1,180	+40
Sony	3,690	-30
Stanley	991	-39
S'tomo Bank	1,350	+10
S'tomo Elect	940	-10
S'tomo Marine	554	+24
S'tomo Metal	150	-1
Taihei Dengyo	490	-5
Taisei Corp	197	-1
Taisho Pharm.	940	-11
Takeda	800	-1
TDK	5,000	+10
Teijin	410	+9
Teikoku	698	+6
Tokyo Marine	676	+5
TBS	822	-5
Tokyo Elect Pwr	1,310	-10
Tokyo Gas	163	-3
Tokyo Sanyo	695	-17
Tokyo Style	725	-5
Tokyu Corp.	275	-2
Toppan Print	895	-6
Toray	414	-1
Toshiba Elect.	424	-4
TOTO	590	-10
Toyo Seikan	865	-1
Toyota Motor	1,270	-20
Victor	1,970	+20
Wacoal	742	+1
Yamaha	600	-9
Yamanouchi	1,890	+40
Yamazaki	706	-8
Yasuda Fire	340	-5
Yokogawa Bdge.	420	+8

SINGAPORE

Nov. 15	Price $	+ or —
Boustead Hldgs.	1.74	.....
Cold Storage	2.76	-0.05
DBS	6.0xa	+0.1
Genting	4.82	-0.02
Haw Par. Bros.	1.92	-0.01
Hong Leong Fin.	2.95	+0.01
Inchcape Bhd.	2.38	-0.01
Keppel Shipyard	2.79	.....
Malay Banking	5.65	*+0.1*
Malay Utd. Ind.	2.28	+0.01
Multi Purpose	0.91	.....
OCBC	9.0	+0.05
OUB	3.84	+0.1
Public Bank	1.72	+0.02
Sime Darby	1.93	.....
Straits Trdg.	4.66	+0.06
Tat Lee Bk.	2.97	+0.02
UOB	4.34	+0.1

SOUTH AFRICA

Nov. 15	Price Rand	+ or —
Abercom	1.5	+0.02
AE&CI	7.7	.....
Anglo Am Coal	38.25	+0.25
Anglo Am Corp	24.85	+0.2
Anglo Am Gold	170	.....
Barclays Bank	17.0	.....
Barlow Rand	10.85	*+0.2*
Buffels	81.5	.....
CNA Gallo	2.30	.....
Currie Finance	4.2	.....
De Beers	8.75	-0.1
Driefontein	55.25	.....
FS Geduld	59.0	-1.5
Gold Fields SA	30.0	-0.25
Highveld Steel	4.25	+0.15
Nedbank	12.75	+0.56
OK Bazaars	14.5	.....
Protea Hldgs.	1.7	.....
Rembrandt	28.5	-0.25
Rennies	12.9	-0.1
Rust Plat	15.9	-0.1
Sage Hldgs	7.2	+0.15
SA Brews	6.4	+0.05
Smith (CG)	20.5	.....
Tongaat Hulett	8.1	+0.1
Unisec.	4.6	-0.2

OVER-THE-COUNTER *Nasdaq national market, closing prices*

[illegible]

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES

BMP A	165	+37
Ch Tunnel Inv	150	+30
Gleeson (MJ)	205	+15
Habitat Moth	380	+6
Hambro Life	443	+11
Hunting Gibson	93	+5
Lep Group	177	+7
Octopus Pub	840	+40
Rank Org	274	+13
Anvil Pet	53	+5
Kitchener Min.	142	+10
Renison	257	+27

FALLS

Tr 11½ 01–04	£110⅞	-£⅝
Tr 2½ i/l 2020	£92⅜	-£⅝
Bank of Ireland	255	-15
Comm. Union	169	-4
Common Bros	90	-22
GEC	224	-10
ICI	660	-8
Kwik Save	168	-6
Land Securities	301	-9
Marks & Spenc	118	-7
Plessey	210	-16
Racal Elects	270	-12
Smiths Inds	634	-31
Standard Ch Bk	458	-15
Staveley Inds	280	-10
Ultramar	237	-13
Charter Cons	217	-6
Meekatharra	93	-9

Continued on Page 42

CANADA

TORONTO

Closing prices November 15

[illegible]

MONTREAL

Closing prices November 15

[illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

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Indices

NEW YORK-DOW JONES

	Nov 15	Nov 14	Nov 13	Nov 12	Nov 9	Nov 8	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	1,208.16	1,208.93	1,208.80	1,219.19	1,218.97	1,228.68	1286.64 (6/1)	1086.57 (24/7)	1287.78 (19/11/83)	41.22 (2/7/32)
Transport	525.67	526.74	527.28	529.58	522.43	535.22	612.63 (9/1)	444.03 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	144.23	143.62	144.65	145.21	145.77	148.13	146.39 (6/11)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol	-	73.94m	69.79m	55.61m	83.62m	68.58m	-	-	-	-

	Nov 9	Nov 2	Oct 26	Year Ago (Approx)
Ind Div Yield %	4.76	4.75	4.80	4.45

STANDARD AND POORS

	Nov 15	Nov 14	Nov 13	Nov 12	Nov 9	Nov 8	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	186.34	186.62	186.38	188.83	188.19	189.49	191.48 (6/11)	167.74 (24/7)	194.84 (10/10/83)	3.82 (30/6/32)
Composite	165.89	165.99	165.87	167.39	167.60	168.68	170.41 (6/11)	147.82 (24/7)	172.15 (10/10/83)	4.40 (1/6/32)

	Nov 7	Oct 31	Oct 24	Year Ago (Approx)
Ind div yield %	3.95	4.03	3.99	4.01
Ind. P/E Ratio	10.89	10.89	10.78	14.18
Long Gov Bond Yield	11.57	11.59	11.69	11.76

N.Y.S.E ALL COMMON

Nov 15	Nov 14	Nov 13	Nov 12	1984 High	1984 Low
95.68	95.74	95.78	96.51	98.12 (6/11)	85.13 (24/7)

RISES AND FALLS

	Nov 14	Nov 13	Nov 12
Issues traded	2,007	1,997	1,987
Rises	659	461	583
Falls	824	1,050	887
Unchanged	524	486	417

TORONTO

	Nov 15	Nov 14	Nov 13	Nov 12	1984 High	1984 Low
Metals & Minls	2,022.5*	2,022.4	2,038.9	2,045.8	2524.4 (12/1)	1641.2 (25/7)
Composite	2,416.7*	2,413.7	2,412.1	2,418.8	2585.7 (6/1)	2079.7 (24/7)
MONTREAL Portfolio	120.30*	120.13	119.87	120.29	127.83 (10/1)	100.36 (24/7)

* Indicates pre-close figure

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day
Unocal CP	1,111,900	42⅝	+2
Texaco	958,600	1¼	-¼
Am Express	871,600	34⅜	+⅛
LTV Corp.	756,800	10⅝	-¼
ITT Corp.	722,400	26⅝	-⅛
Phil Pete	712,880	43½	+⅜
Mer Lynch	659,400	28	-1
East Kodak	658,000	74¼	-⅛
Sun Co	601,800	48	+⅛
ATT	590,400	18¾	each

Advances 612 Declines 835

	Nov. 15	Nov. 14	Nov. 13	Nov. 12	1984 High	1984 low
AUSTRALIA						
All Ord. (1/1/80)	779.7	778.4	778.5	776.0	787.9 (8/1)	548.3 (18/6)
Metals & Minls. (1/1/80)	474.6	475.2	475.1	471.4	567.4 (3/1)	404.9 (24/7)
AUSTRIA						
Credit Aktien (2/1/62)	57.56	57.54	57.41	57.61	57.87 (7/11)	53.20 (15/8)
BELGIUM						
Belgian SE (31/12/63)	160.80	161.26	161.53	161.65	165.09 (25/10)	135.28 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	170.65	170.41	170.54	169.68	225.21 (20/1)	161.78 (17/10)
FRANCE						
CAC General (31/12/82)	180.5	180.4	180.8	180.7	186.0 (26/10)	155.6 (3/1)
Ind Tendance (30/12/83)	119.0	118.5	119.0	119.0	118.3 (25/10)	99.4 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	369.28	370.50	370.46	370.49	376.98 (22/10)	317.17 (25/7)
Commerzbank (1/12/53)	1080.1	1083.8	1082.3	1082.5	1101.2 (22/10)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	1074.84	1077.35	1066.15	1044.45	1170.85 (19/3)	746.02 (13/7)
ITALY						
Banca Comm Ital. (1972)	211.14	211.99	211.95	211.92	229.57 (1/2)	192.06
JAPAN**						
Nikkei-Dow (16/5/49)	11381.6	11320.9	11265.2	11236.1	11374.1 (5/11)	9703.85 (23/7)
Tokyo SE New (4/1/68)	*856.71*	*866.83*	*852.25*	849.67	876.62 (2/4)	730.45 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	178.0	178.9	180.0	179.5	189.1 (22/10)	148.8 (25/7)
ANP-CBS Indust (1970)	137.9	140.5	141.1	140.8	147.2 (1/2)	118.7 (18/6)
NORWAY						
Oslo SE (4/1/83)	285.25	283.88	285.47	282.54	336.70 (9/5)	221.57 (4/1)
SINGAPORE						
Straits Times (1966)	804.66	801.70	793.52	800.79	1071.81 (8/2)	793.52 (15/11)
SOUTH AFRICA						
Gold (1958)	1096.5	1099.0	1094.4	1054.4	1099.0 (14/11)	738.1 (24/1)
Industrial (1958)	910.6	904.2	896.2	895.6	1109.5 (28/5)	855.5 (19/9)
SPAIN						
Madrid SE (30/12/83)	139.04	157.63	138.28	159.21	154.51 (8/10)	102.02 (3/1)
SWEDEN						
Jacobson & P. (1/1/58)	1353.95	1342.89	1339.57	1387.10	1694.5 (13/2)	1,342.89 (14/11)
SWITZERLAND						
SwissBank Cpn. (31/12/58)	377.5	379.2	379.9	378.8	388.5 (8/1)	354.5 (25/7)
WORLD						
Capital Intl. (1/1/70)	—	186.8	187.3	187.4	189.8 (3/6)	164.6 (24/5)

** Saturday *November 10: Japan Nikkei-Dow (c).* TSE (c).
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. (u) Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Technical downturn in equities hastened by poor interim results from Plessey

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 9
Nov 26	Dec 6	Dec 7	Dec 17

* "New-time" dealings may take place from 9.30 am two business days earlier.

Investors in London held back again yesterday awaiting announcement of the all-important issue price for British Telecom shares; this will be made in the House of Commons at 11 am today. The resulting lull in investment demand allowed many leading industrial stocks to drift back from the recent records. Initially the losses were only of a few pence, but the pace of the fall accelerated as equity dealers seized the opportunity to shake-out any nervous short-term holders.

The manoeuvre failed to convince institutional investors of a lasting change in market direction, but some private client's decided to realise profits gained via the recent sharp advance in values. Some evidence also merged of funds being raised for the impending BT issue and the ensuing light offerings enabled some, but not all dealers to balance short book positions.

During the late morning trade, conditions appeared to stabilise, but shortly after midday poor half-yearly results from Electrical leader **Plessey** unsettled the market generally. Blue Chip issues weakened further and the FT Industrial Ordinary share index, which started the session less than a point lower, fell progressively to close 12.1 down at the day's worst of 911.6. Three electrical constituents of the index sustained double-figure falls.

The Chancellor's prediction of lower interest rates, providing the Government adheres to current economic policies, failed to influence equity sentiment but restored some confidence to a wilting Gilt-edged market. Selling dried up in theface of revived demand which reduced losses among longer-dated gilts of ¾ to only ¼ at the close. Shorter maturities recovered equally well and ended showing minor movements in each direction. Index-linked, however, were unwanted and suffered a major reaction. Many finally recorded falls extending to nearly a point.

Hambro Life up again

Despite strenuous denials that **Charterhouse J. Rothschild** had sold its nar125 per cent stake in **Hambro Life**, speculators remained convinced that a deal was imminent and pushed Hambro up 11 more for a two-day jump of 43 to 443p; **CJR** softened a couple of pence to 88p. Other Life Insurances, still relieved that the Chancellor had not imposed stringent tax measures on the pensions industry in his Autumn statement, made further good progress. **Sun Life** rose 14 to 698p and **London and Manchester** put on 8 at 595p. Elsewhere, **Commercial Union** declined 4 to 169p and **General Accident** 3 at 490p following comment on their third-quarter figures. **Royals**, on the other hand, edged forward a couple of pence to 500p after reporting nine-months profits in line with expectations and an accompanying encouraging statement.

Standard Chartered dropped 15 to 458p following adverse comment on the South African banking industry. Home banks were dragged lower and, although selling was light, **Barclays** fell 13 to 525p. **Lloyds** gave up 8 at 530p and **Midland** 7 at 363p. **Bank o fIreland** lost 15 to 255p on disappointing interim results, while **Allied Irish**, which reorted poor half-yearly figures on Wednesday, softened 3 more to 122p.

Specialist industrial fastener manufacturer **PSM International** staged a bright market debut; offered-for-sale at 140p, the shares opened at 153p and settled at 151p following a brisk business. Among other recently-issued equities, USM-quoted **Monument Oil and Gas** fell 4 to 27p; on Tuesday, Bristol Oil announced that it had acquired a near-15 per cent stake in the group.

Distillers came back 5 to 293p in a lethargic drinks sector.

Most leading Building issues eased, but **RMC** resisted and closed up 4 at 412p, while **Tarmac** managed a small improvement at 516. Secondary issues were highlighted by **M. J. Gleeson** which gained 15 to a 1984 peak of 205p following excellent annual results. **George Dew** were marked down to 53p on news that the group had disposed of its 50 per cent interest in its loss-making Saudi Arabian associate, which involved a write-off of between £1.3m and £1.7m, but subsequently rallied to close 2 up on balance at 56p.

Buyers continued to shy away from **ICI** and the close was a net 8 down at 660p. Among other Chemicals, buying ahead of the interim results, due early next month, lifted **Leigh Interests** 6 to 112p, while further speculative demand left **Thurgar Bardex** 2 firmer at a 1984 peak of 20p.

Marks and Spencer down

Publicity given to a cautious circular from brokers' Greenwell further unsettled **Marks and Spencer**, which dropped 7 afresh to 118p. Other Store leaders were mixed with recent high-flier **Burton** closing 6 lower at 378p. **Debenhams** gave up 5 at 198p, but **Habitat Mothercare** advanced 6 to 380p on renewed demand ahead of the interim figures scheduled for November 29. Elsewhere, M and S supplier **S. R. Gent**, continued to reflect a brokers' downgraded profits forecasts and fell 4 more for a two-day decline of 22 at 162p. Recent speculative favourite **Freemans** lost 4 at 144p and **Grattan** reacted 6 at 136p. *Vantona Viyella* continued firmly at 260p, up 10, while **J. Beattie "A"** added 5 at 103p as did **Body Shop**, at 350p.

Marked disappointment with the second-quarter figures prompted a sharp fall in **Plessey** and unsettled sentiment generally in Electricals. Persistent selling left Plessey 16 down at 216p, after 214p, while **Racal**, 270p, and **GEC**, 224p, lost 12 and 10 respectively. **Thorn EMI**, however, held up relatively well and closed only 7 off at 468p. Elsewhere, **NEI** were favoured and put on 4½ to 80½p, while **Scantronic**, reflecting the half-year results, advanced 12 to 167p.

Interest in the Engineering sector again centred on TI as the previous day's advance gave rise to fresh talk of bid possibilities, or a stake build up; briskly traded up to 230p on speculative support, **TI** eventually settled at 226p for a rise of 8 on the day. Among secondary issues, **Staveley**, a particularly good market of late, reacted to 280p, down 10, following the interim figures. **Westland**, reflecting adverse comment, fell 7 to 129p, but **Davy Corporation** edged up a couple of pence to 85p.

Foods turned easier on sporadic selling, but the falls were generally modest. **Tate and Lyle** shed 5 to 418p and **United Biscuits** eased a couple of pence to 179p. Among Food Retailers, comment on the interim results left **Tesco** 5 lower at 207p, while annual profits in line with market estimates failed to sustain **Kwik Save**, down 6 at 168p. **Maynards** touched 270p on satisfactory preliminary figures and a confident statement, but subsequently drifted off to close 5 cheaper on balance at 260p. Against the trend, USM-quoted **Meadow Farm Products** gained 9 to 244p. Elsewhere, **Bassett** rose 5 to 158p, after 160p, on revived speculative interest.

Smiths Inds. react

Smiths Industries ran into after-the-event profit-taking following Wednesday's preliminary figures and closed 31 down at 634p. Elsewhere in the miscellaneous industrial sector, **Rank Organisation** came to life with a rise of 13 to 274p, after 280p, on talk that the company might sell-off its Canadian interests. **Channel Tunnel** also featured with a rise of 30 to 150p on news that Britain and France had reached agreement on a basis which could lead to the building of a Channel tunnel or bridge. Good interim results left **Lep Group** 7 dearer at 177p, but **Valor** met with profit-taking after the half-year statement and fell to 158p before recovering to close only a couple of pence cheaper on the day at 162p. Revived demand left **Wolverhampton Steam Laundry** *up 4* further at 26p. **Whatman Reeve Angel** put on 25 to a new peak for the year of 910p and buyers also showed interest in **J. W. Spear**, 5 up at 107p. **Johnson Group Cleaners** hardened 3 to 448p following news that the Nottingham Manufacturing bid is not to be referred to the Monopolies Commission. **Johnson Matthey** were quoted ex rights at 113p, down 6; dealings begin in the new convertible preference shares on December 12.

Among Leisure issues, *renewed* speculative buying lifted **First Leisure** 7 to a 1984 peak of 214p, but lack of support left **Riley** 3 down at a low for the year of 33p. Elsewhere, **LWT A** gained 8 to 275p in response to nearly doubled annual profits and a confident statement.

Lex Service remained a friendless market and fell 12 more for a two-day relapse of 40 at 308p; various brokers have downgraded their profits forecasts after a meeting with the company on Tuesday.

Newspapers were featured by a late jump of 37 to 165p in **BPM "A"** following news of an agreed cash bid from Yattendon Investment Trust. **Octopus Publishing**, meanwhile, jumped 40 afresh to a new high for the year of 840p after comment on its surprise bid for Websters, 2 easier at 132p. *Elsewhere* in Papers, **East Lancashire** hardened a further 2 to 95p on news that G. M. Firth had increased its holding in the company to just over 9 per cent; East Lancashire is currently strongly resisting a bid from British Syphon.

The Property leaders succumbed to light selling and **Land Securities** fell 9 to 301p, while **MEPC** lost 5 at 320p and **Stock Conversion** 7 at 358p. The increased interim revenue failed to stimulate **Great Portland Estates** which held at 158p, but occasional buying interest left **Property Holding and Investment** 3 dearer at 123p. **London and Edinburgh** rose 10 to 194p in a restricted market. **Espley Trust** improved 2 to 17p; on Wednesday, Mr Ron Shuck's Consult International withdrew its *intimated 35p per share bid for the* company.

Common Bros. dropped 22 to 90p, after 85p, on news of the final dividend ommission and £20m annual deficit. In sympathy, **Lyle** softened 2 to 22p and **Reardon Smith A** gave up 2½ to 4p. Elsewhere in Shippings, **Hunting Gibson** firmed 5 to 93p following the announcement that it had sold its joint interest in Hunting Lambert to A. T. Mays.

BP easier

A busy day in Oils saw **BP** move narrowly despite third quarter results at the top end of market forecasts; down to 488p prior to the figures BP subsequently rallied to 493p before easing back to close a net 3 cheaper at 490p. **Ultramar's** third quarter figures were deemed mildly disappointing and the shares quickly ran back to close 13 lower at 237p. Other oils lost ground in relatively subdued trading with **Shell** closing 8 off at 645p. **Britoil** and **Burmah** lost 4 apiece at 227p and 200p respectively. **LASMO** were heavily traded and initially touched a year's best of 365p amid talk that the company has recently rejected a bid approach worth 450p a share, before retreating to end the day a net 3 easier at 355p. Among secondary issues **Premier** hardened to 61p following the interim results but later eased to closed unchanged on balance at 59p. **Charterhouse** held at 123p following the successful drilling programme on the Palmers Wood oil discovery near Godstone in Surrey.

Renison advance

A highly encouraging drilling report from the Porgera gold prospect in Papua New Guinea prompted strong demand for the two Australian participants in the discovery, **MIM Holdings** and **Renison**. The latter were particularly wanted and surged ahead to close 27 up at 257p, with the Deferred 25 up at 245p, while **MIM Holdings** put on 3 to 198p. **MIM** and Renison each hold a one third interest in the Porgera deposit along with Canada's Placer Development.

Other Australian mining issues made useful progress, with emphasis on the more speculative issues. Golds attracted the lion's share of business with **Kitchener Mining** advancing 10 more to a 1984 high of 142p and **Metana** 4 better at 190p. **Sons of Gwalia** moved up 3 to a year's best of 66p while rises of around 2 were common to Allstate, 28p, **Balmoral Resources**, 22p, **Great Victoria**, 40p, and **Haoma North-west**, 13½p. **Southern Resources** jumped 5 to 87p. Leading Golds were more restrained and closed with minimal gains, excepting **Central Norseman** which posted a 10 rise at 393p. **Meekatharra Minerals** continued to retreat and dropped 9 more to 93p reflecting renewed profit-taking.

South African sectors held up well in the face of another subdued showing by the bullion price which ended the day a net $1.75 easier at $344 an ounce.

The Gold Mines index put on 3.0 more to 581.2 — its fourth successive improvement and its best *level since July 4.*

Total contracts in Traded Options amounted to 5,213, comprising 3,613 calls and 1,600 puts. Courtaulds were lively, with 732 calls and 77 puts arranged.

FINANCIAL TIMES STOCK INDICES

	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 9	Nov. 8	Year ago
Government Secs	83.21	83.29	83.43	83.37	82.81	82.62	83.14
Fixed Interest	86.18	86.14	86.17	85.87	85.56	85.42	86.69
Industrial Ord	911.6	923.7	924.3	914.7	900.1	893.0	721.8
Gold Mines	581.2	578.2	565.6	558.9	555.4	562.6	493.0
Ord. Div. Yield	4.68	4.63	4.63	4.67	4.73	4.76	4.72
Earnings, Yld.% (full)	11.37	11.14	11.14	11.13	11.29	11.36	9.40
P/E Ratio (net) (*)	10.63	10.75	10.75	10.79	10.63	10.56	13.29
Total bargains (Est.)	21,657	20,320	22,537	24,250	21,662	21,063	19,194
Equity turnover £m.	—	285.06	380.36	294.99	377.41	314.31	302.34
Equity bargains	—	17,430	18,880	19,574	23,862	19,949	17,066
Shares traded (ml)	—	157.1	208.3	179.9	226.6	171.9	144.0

10 am 922.8. 11 am 919.1. Noon 919.6. 1 pm 915.8.
2 pm 914.3. 3 pm 912.6.

Basis 100 Govt. Secs. 15/2/28. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 10.21.

HIGHS AND LOWS

—	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	155.4 (26/11/47)	50.03 (31/1/75)
Ind. Ord.	924.3 (13/11)	755.3 (23/7)	924.3 (13/11/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	486.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 14	Nov. 13
Daily Gilt Edged Bargains	150.2	167.2
Equities Bargains	112.9	123.5
Value	576.2	768.8
5-day Average Gilt Edged Bargains	162.4	169.3
Equities Bargains	128.9	128.8
Value	667.9	679.0

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (103)
BRITISH FUNDS (2)
BUILDINGS (2)
CHEMICALS (1)
STORES (6)
ELECTRICALS (11)
ENGINEERING (8)
INDUSTRIALS (21)
INSURANCE (4)
LEISURE (1)
NEWSPAPERS (5)
PAPER (4)
PROPERTY (4)
TRUSTS (23)
OILS (3)
OVERSEAS TRADERS (1)
MINES (6)

NEW LOWS (16)
BANKS (1)
Bank of Ireland
BUILDINGS (1)
Attwoods
ELECTRICALS (3)
BSR Intl   Systems Reliability
Lec Refrigeration
INDUSTRIALS (5)
Aaronson Bros   Ramco Oil
Alfa-Laval AB B   Sutcliffe Speakman
EIS
LEISURE (1)
Riley Leisure
MOTORS (1)
Lex Service
SHIPPING (1)
Common Bros.
TRUSTS (1)
Comprehensive Fin. Services
OILS (2)
Energy Sources   KCA Drilling

CCL Group

Because of the difficulties in South Africa, the **CCL Group** is not likely to return this year to the 1982 profit level of £750,000, as had been hoped. The directors are now looking for around £550,000, which would show little change from the previous year's £524,000. They are, therefore, holding the interim dividend at 2p and expect to keep the final at not less than 6.4p.

With the related companies almost wiping out their losses, from £122,000 to £1,000, the group's profit before tax for the first half of 1984 has moved ahead from £150,000 to £276,000. The UK has done considerably better but South Africa has not been able to sustain the improvement achieved in 1983. "Unless there are signs of an acceptable improvement our investment may have to be provided for," the directors warn.

The group specialises in systems for the stressing of con crete and joining reinforcing bars. Its shares are traded on the market made by Granville & Co. Turnover in the half year was £4.96m (£4.7m). After tax £178,000 (£114,000) the net profit came to £98,000 (£36,000).

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or –	Net div.	Times covered	Gross yield	P/E ratio
115	F.P.	[illegible]	[illegible]	[illegible]	Addison Comms. 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
140	F.P.	[illegible]	[illegible]	[illegible]	Alida	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
87	F.P.	[illegible]	[illegible]	[illegible]	Appledore(A.&P.) 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Breakmate 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
105	F.P.	[illegible]	[illegible]	[illegible]	CVD Inc $0.01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Checkpoint Europe	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
115	F.P.	[illegible]	[illegible]	[illegible]	Craton Lodge 1p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Domin'n Int. High Inc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Do. Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
74	F.P.	[illegible]	[illegible]	[illegible]	Fergebrook 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
78	F.P.	[illegible]	[illegible]	[illegible]	Gabicci 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
197	F.P.	[illegible]	[illegible]	[illegible]	Hawtal Whiting 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Health Care S'rvic's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
210	F.P.	[illegible]	[illegible]	[illegible]	Iceland Frozen F.10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
145	F.P.	[illegible]	[illegible]	[illegible]	Instem 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
85	F.P.	[illegible]	[illegible]	[illegible]	Klark-Teknik 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
117	F.P.	[illegible]	[illegible]	[illegible]	Medin T'nology 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Monument Oil 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Oldacre 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
140	F.P.	[illegible]	[illegible]	[illegible]	P.S.M. Int'l	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30	F.P.	[illegible]	[illegible]	[illegible]	Paul Michael L'w 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	F.P.	[illegible]	[illegible]	[illegible]	Plasmec 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	F.P.	[illegible]	[illegible]	[illegible]	Second Market Inv. 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
140	F.P.	[illegible]	[illegible]	[illegible]	Share Drug 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
125	F.P.	[illegible]	[illegible]	[illegible]	Stone Intl. 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
90	F.P.	[illegible]	[illegible]	[illegible]	T. & S. Stores 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	UDO Hldgs. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Wates CityofLon.Prop	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Wessanen Kon. DFl.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+or –
91.57	£50	[illegible]	[illegible]	[illegible]	African Dev. Bank 11% Ln. 2010	[illegible]	[illegible]
*99.57	F.P.	[illegible]	[illegible]	[illegible]	Cambridge Water 8% Red. Prf. 1988	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Do. 1…% Red. Deb. 2004	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Elswick Hopper 8% Cv. Cum. Pf.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Estate Prop. Inv. 10% Conv. 94 99	[illegible]	[illegible]
90.52	£50	[illegible]	[illegible]	[illegible]	European Inv. Bk. 10% Ln. 2004	[illegible]	[illegible]
100	£10	[illegible]	[illegible]	[illegible]	Folkestone Water 11% Red. Deb. 2004	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Gable Hse. Prop. 10% Cv. Uns. Ln.	[illegible]	[illegible]
99.16	£50	[illegible]	[illegible]	[illegible]	Intl. Bk. for Recon. & Dev. 11% Ln.	[illegible]	[illegible]
99.19	£25	[illegible]	[illegible]	[illegible]	Lon. Shop Prop. 1…% 1st Mort. Deb.	[illegible]	[illegible]
98.16	£25	[illegible]	[illegible]	[illegible]	Marley 11% Deb. 2009	[illegible]	[illegible]
—	F.P.	[illegible]	[illegible]	[illegible]	Nationwide Bldg. Soc. 11% Bds.	[illegible]	[illegible]
—	F.P.	[illegible]	[illegible]	[illegible]	Do. 11% Bds.	[illegible]	[illegible]
‡‡	Nil	[illegible]	[illegible]	[illegible]	Normans Grp. 8% Cnv. Uns. Ln.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Peel 10% Cum. Pref. 50p	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Plant & Gen. 9% Cnv. Uns. Ln. 1999	[illegible]	[illegible]
‡‡	Nil	[illegible]	[illegible]	[illegible]	Priest (Ben) 8% Cum. Cv. Red. Pref.	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Racal Elect 7% Cnv. Uns. Ln. 2005	[illegible]	[illegible]
97.006	£25	[illegible]	[illegible]	[illegible]	Slough Ests. 11% 1st Mort. Deb. 2013	[illegible]	[illegible]
100	£10	[illegible]	[illegible]	[illegible]	Son'ld & Sth. Shields 11% Deb. 2005	[illegible]	[illegible]
91.97	£20	[illegible]	[illegible]	[illegible]	Sweden 11% Ln. 2010	[illegible]	[illegible]
‡‡	F.P.	[illegible]	[illegible]	[illegible]	Tops Ests. 7% Conv. Uns. Ln. 2014	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or –
80	Nil	—	3pm	½pm	Attwoods	1pm	.....
38	F.P.	12/11	47	42	Baynes (Charles) 10p	47	–1
00	Nil	13/12	10pm	5½pm	Cambrian & General	6pm	.....
110	Nil	—	36pm	28pm	Do. Cap 7½p	29pm	.....
240	F.P.	15/11	323	293	CASE 20p	310	.....
205	Nil	7/12	14pm	7pm	Sovereign Oil	8pm	.....
205	Nil	19/11	22pm	13pm	‡Television Services 50p	13pm	.....
170	F.P.	6/11	92pm	78pm	‡Tops Ests. 10p	92pm	.....

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 5	Nov 16	Feb 7	Feb 18
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18

For rate indications see end of Share Information Service

Stocks to attract money for the call included **BSR, Raybeck, Lonrho, Eglinton, BSG, Lasmo, Dunlop, Oliver Prospecting, Quest Automation, Johnson Matthey, Combined Technology** and **C. H. Bailey**. Puts were arranged in **Dunlop, Oliver Prospecting, Reardon Smith** and **Channel Tunnel**, while doubles were traded in **Dunlop and Polly Peck.**

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	10	55	39
Corpns Dom & Foreign Bonds	5	18	55
Industrials	216	324	875
Financial & Props.	78	109	341
Oils	26	29	71
Plantations	1	1	15
Mines	69	35	76
Others	71	46	91
Totals	476	617	1,563

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Burton	21	384	+11
Royal Insce	17	498	+ 8
Lex Service	14	320	–28
LASMO	14	358	+18
Allied Irish Bk	13	125	– 3
BTR	13	535	—
Hambro Life	12	432	+22
Johnson Matt'y	12	122	–18
Smiths Inds	12	665	+17
TI	12	218	+12
Thorn EMI	12	475	– 5
Cable and Wire	11	338	– 2
Glaxo	11	£10⅛	—
Habitat	11	374	+ 8

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Commercial Union	169	– 4
Hambro Life	443	+11
ICI	660	– 8
Land Securities	301	– 9
LASMO	355	– 3
PSM International	151	—
Plessey	210	–16
Rank Org	274	+13
Royal Insurance	500	+ 2
Smiths Inds	634	–31
TI	226	+ 8
Tesco	207	– 5

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Nov 15 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Wed Nov 14 Index No.	Tues Nov 13 Index No.	Mon Nov 12 Index No.	Fri Nov 9 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (205)	546.96	-1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (30)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (34)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (61)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (190)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (88)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (483)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (117)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Finance (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (105)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (746)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE 100 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Thur Nov 15	Day's change %	Wed Nov 14	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	[illegible]	[illegible]	[illegible]	—	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	—	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	—	[illegible]
6 Debentures & Loans	[illegible]	[illegible]	[illegible]	—	[illegible]
7 Preference	[illegible]	[illegible]	[illegible]	—	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Thur Nov 15	Wed Nov 14	Year ago (approx.)
British Government			
1 Low 5 years	[illegible]	[illegible]	[illegible]
2 Coupons 15 years	[illegible]	[illegible]	[illegible]
3 25 years	[illegible]	[illegible]	[illegible]
4 Medium 5 years	[illegible]	[illegible]	[illegible]
5 Coupons 15 years	[illegible]	[illegible]	[illegible]
6 25 years	[illegible]	[illegible]	[illegible]
7 High 5 years	[illegible]	[illegible]	[illegible]
8 Coupons 15 years	[illegible]	[illegible]	[illegible]
9 25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables	[illegible]	[illegible]	[illegible]
11 Debs & 5 years	[illegible]	[illegible]	[illegible]
12 Loans 15 years	[illegible]	[illegible]	[illegible]
13 25 years	[illegible]	[illegible]	[illegible]
14 Preference	[illegible]	[illegible]	[illegible]

BRITISH GOVERNMENT INDEX-LINKED STOCKS

8 All stocks	[illegible]	[illegible]	[illegible]	—	[illegible]	15 Inflation rate 5%	16 10%	[illegible]	[illegible]	[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C $325	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$344.50
GOLD C $350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD C $375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD C $400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD P $325	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GOLD P $350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
SILVER C (Dec./Mar./June)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
$/FL C and P series	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABN, AEGN, AH, AKZO, AMRO, GIST, HEIN, HOOG, KLM, NEDL, NATN, PETR, PHIL, RD, UNIL (Jan./Apr./July)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 28,357

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
B.P. (*493)	390	112	118	—	3	5	—
	420	82	90	—	4	7	—
	460	50	57	65	10	16	25
	500	22	28	40	22	35	40
	560	7	15	—	60	68	—
Cons. Gold (*502)	460	60	70	77	6	16	21
	500	35	42	50	19	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*125)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*169)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*226)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*311)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*662)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Sec. (*300)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp. (*119)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*645)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trafalg'r Hs. (*310)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
BAT Inds (*265)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays (*529)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp. (*166)	140	28	31	[illegible]	[illegible]	[illegible]	[illegible]
	160	8	13	[illegible]	[illegible]	[illegible]	[illegible]
	180	1½	6½	[illegible]	[illegible]	[illegible]	[illegible]
LASMO (*358)	280	80	87	[illegible]	[illegible]	[illegible]	[illegible]
	300	60	70	[illegible]	[illegible]	[illegible]	[illegible]
	330	28	47	[illegible]	[illegible]	[illegible]	[illegible]
	360	8	28	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*155)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*301)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*270)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*629)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$108)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Dec.	Calls Mar.	Calls June	Puts Dec.	Puts Mar.	Puts June
Beecham (*356)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots (*430)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$5.00)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*194)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*266)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jaguar (*215)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*207)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE Index (*1167)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Nov. 15. Total Contracts 5,213. Calls 3,613. Puts 1,600.
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
30	20	Martin-Black	22		—	—	—	—
£108	£87	Mathesons 7¼%	£89	+2	Q7¼%	2.3	19.0	—
378	287	Metal Box £1	358	+2	15.0	3.0	6.0	6.1
220	129	Metal Closures	134	−2	6.3	2.3	6.7	(7.8)
27	12	Metal Sciences 2½p	12		—	—	—	—
19	8	Metamec Jacque	9½	+½	0.01	—	—	—
133	83	Midland Marts	100		4.0	1.8	5.8	12.5
69½	45	Mitchell Cotts	69	−½	4.0	1.5	8.6	9.4
29	13	Molyn Grp 1p	15		‡0.5	2.5	4.8	(9.5)
169	132	Morgan Crucible	169xd		†7.5	1.2	6.3	(17.1)
18½	13½	Morris (W) Fine Arts	17½		bq0.25	4.0	2.0	16.0
110	80	Moss (Robt.) 10p	102	−4	†2.5	2.9	3.5	12.3
330	197	NMW Computers	267		6.0	3.0	3.2	14.9
65	40	Nash Inds	43		4.0	2.2	13.3	5.0
47	30	Neill & Spencer 10p	40	+2	—	—	—	17.2
39	13	Newman Industries	18		—	—	—	(10.1)
31	16½	Do. 10pc Cn.Cnv Pf	19xd		10%	—	7.5	—
67	43	Nolton	45		1.1	♦	3.5	♦
183	132	Norcros	179	−1	7.5	2.4	6.0	9.4
86	58	Nu-Swift 5p	61		—	3.2	—	8.0
100	50	Oakwood Grp.	78	+8	‡d6.5	—	‡	—
190	141	Office & Elect	141		5.24	4.2	5.3	6.5
875	650	Oriflame Intl SA	650	−50	1053c	2.2	6.8	6.7
46	21	Overstone 12½c	23xd		‡d4.5c	2.2	‡	5.3
£152½	£120	Ozalid 9pc Cnv 87-92	£150½	−½	Q9%	—	6.2	—
190	125	PCT Grp 10p	125		q4.8	2.9	5.3	7.6
£12½	975	PLM "B" Sk 25	£11¼		Q20%	3.2	3.9	7.9
62	40	Pacific Sales 10p	52	+2	b2.4	2.2	6.6	(7.9)
207	148	Parker Knoll 'A'	169	+1	9.0	2.8	7.6	6.6
265	197	Pauls	218	−2	8.5	2.8	5.6	7.9
590	403	Pearson	578	−2	†14.0	3.0	3.5	11.5
35	19	Peek Holdings	19		—	—	—	—
107	89	Peerless	93		6.3	1.4	9.7	9.4
265	55	Pentland 10p	265	+3	†b1.74	4.1	0.9	28.2
29	17	Pentos 10p	29	+1	8	—	—	51.4
63	27	Phillips Patents	48	−2	1.25	—	3.7	—
830	545	Photo-Me 50p	830		9.45	6.6	1.6	11.5
350	222	Pilkington Br. £1	300	−3	11.5	2.7	5.5	7.5
£213	£191	Pitney-Bowes Cnv. Ln.	£212	+11	Q5½%	—	2.7	—
50	32	Plastic Const. 10p	50		d2.38	1.0	6.8	(21.6)

LEISURE—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
46	9	Nimslo Int 20c	20	−1	—	—	—
		For Norton Opax see Paper, Printing					
31½	14¼	Owners Abroad	17		0.75	6.1	6.3
66	33	Photax (Lon.)	46		—	—	—
29½	20	P'cilly Radio NV 5p	22½		b1.88	1.0	11.[illegible]
130	73	Pineapple Dnc St 10p	80		d1.5	4.0	2.7
420	285	Pleasurama 5p	355		6.5	4.7	2.6
17½	10¼	Pres Entertain 10p	17½		bq0.02	2.0	0.2
158	70	Radio City 'A' NV	70		5.6	1.9	11.[illegible]
70	50	Radio Clyde N/V	57	+2	3.0	1.4	7.5
148	33	Riley Leisure 10p	35	−3	‡4.2	2.4	‡
140	94	Saga Hols. 20p.	135		†3.75	1.6	4.0
930	290	Samuelson Grp £1	930		13.3	3.6	2.0
27½	18	Sangers Photo 10p	25	+1	bq1.25	1.8	7.1
150	138	Scantro 50p	145		bq3.68	2.2	3.6
190	98	Scott. TV 'A' 10p	172		†8.1	2.9	6.7
413	185	SeaCo Inc $0.125	297	+1	—	—	—
35	12	Select TV 10p	15		—	—	—
145	122	Spectrum 5p	142		g2.0	4.8	2.0
37	24	TSW 5p	32½		1.5	♦	6.6
157	79	TVS N/Vtg 10p.	143	−2	15.0	♦	5.1
142½	102½	Television Svcs 50p.	122	+2	11.5	4.2	1.8
90	60	Tottenham Hotspur	79		d2.3	1.6	7.5
161	120	Trid'nt TV 'A' 10p	148		†5.5	1.8	5.3
179	100	21st Century Oil	144		—	—	—
197	135	Tyne Tees TV 'A' £1	156		8.25	2.4	7.6
100	53½	Ulster TV N/V 'A'	100		4.75	♦	6.8
28	17	Webb (Jos.) 5p.	23	+½	d0.51	1.0	3.2
98	88	Zetters 5p	91		3.25	3.0	5.1

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
76	33	BL 50p	40		—	—	—
325	227	Gen. Mts. Units	325		Q12c	—	3.0
468	294	Honda Motor Y50	414xd	+5	Q23%	8.6	0.8
221	170	Jaguar	214		q7.75	2.8	5.9
85	54	Lotus Car 10p	68	+5	—	—	—
47	20	Reliant Motor 10p	37		—	—	—

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
		Central African					
280	145	Falcon Z50c	150		Q100c	♦	38.9
17	8	Wankie Col. Z$1	9½		—	—	—
21	14	Zam.Cpr.SBD0.24	14¾	−¼	—	—	—
		Australians					
49	23	ACM 50c	49	+1	—	—	—
38	17	Allstate Expl'n. NL	28	+2	—	—	—

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

"Recent Issues" and "Rights" Page 35

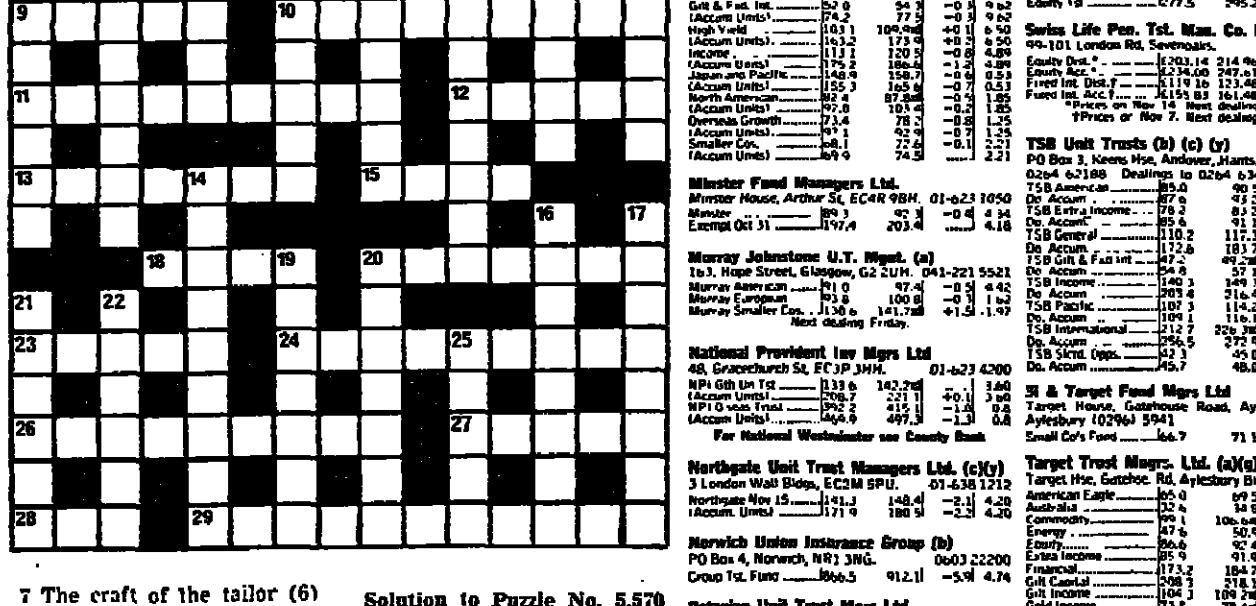
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,571



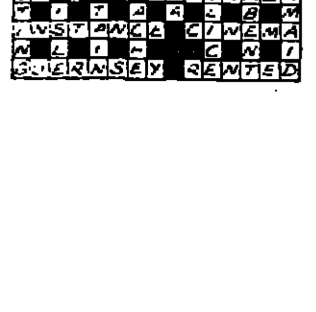
ACROSS

1 Man uses mashie and spoon going round (4, 7)
7 Reduce injury (3)
9 Catch results in a girl getting a duck (5)
10 Natural, uncomplicated and not affected (9)
11 Bad actors? (4-5)
12 Pinching the feet (5)
13 Radio makes sound use of them (7)
15 Fewer beheaded means more jug (4)
18 If there's a man around, he's from the U.S. (4)
20 Greet us, perhaps, with a wave? (7)
23 Scene of combat a long time back (5)
24 Form empty when filled up (3, 6)
26 Such a person may not use his tongue when speaking (9)
27 Splendid old coin (5)
28 Fish in the sunshine? (3)
29 Magazines laid so price may be seen (11)

DOWN

1 Stop deer straying with ropes round their necks (8)
2 Mother's pets are dogs (8)
3 Rose paid for the drinks (5)
4 You have to do so (7)
5 Mother's possibly seen going round in the altogether! (2, 5)
6 Vegetables only half-cooked? (5, 4)
7 The craft of the tailor (6)
8 A number set about forming principles (6)
14 Start to play (7, 2)
16 Out of town—and out of the country (8)
17 Ill-temper shown by a girl in a muddle (8)
19 Humble subject (7)
20 Girl I sign on as an astronomer (7)
21 Gas-poker? (6)
22 Make extensive use of troops? (6)
25 Agitated nun that is upset by the tedium of life (5)

Solution to Puzzle No. 5,570



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Midland Bank Tst Corp (Jersey) Ltd
28-34, Hill St, St Helier, Jersey. 0534 36281
MdBkOsGl 105.8 106.2 −0.1 11.30
MdBkIntBd $1.07 1.08xd 7.34

Minerals, Oils Res Shrs Fd Inc
PO Box 194, St Helier, Jersey. 0534 27441
MoresN15 $11.74 12.09 +0.14 3.31

Samuel Montagu Ldn Agents
114, Old Broad St, EC2. 01-626 3434
MtAmEqIn(z) 93.6 98.3xd +0.3 3.39
MtJapInc(z) 67.1 70.6 +0.2 4.39
MontGlInc(z) 50.3 53.0 .... 10.15
MtStRO30 15.04 15.05 .... —
MtInCr14 59.68 10.18 .... —
MtStRNv6 £15.01 15.02 .... —
ApNv5 SF104.75 113.70 .... 1.22
JpOc31 HK$43.94 47.55 .... 0.10
MFRNN14 $10.09 10.11xd +0.02 —
MFRNFN7 $10.00 10.09xd .... —

Murray Johnstone (Inv Adviser)
163, Hope St, Glasgow, C2. 041-221 5521
USFIFNv6 $11.13 11.72 .... —
HpeStv13 $63.03 72.65 .... —
MurFdN15 $19.27 20.52 .... —
PacFdNov14 $4.10 4.38 .... —

NEL International Ltd
PO Box 119, St Peter Port, Guernsey, CI.
SterlingDep 76.5 80.6 .... —
SterlFxdInt 88.4 91.0 .... —
SterlingMan 84.5 102.7 .... —
IntlFxdInt 101.8 110.6 .... —

Nat Westminster Jersey Fd Mgrs Ltd
23/25 Broad St, St Helier, Jersey. 0534 70041
Intl Mngd 102.5 110.4 .... —
HhInFd(a)(b) 54.8 57.8xd 10.53
EqtyFd(a)(b) 99.7 106.0 −1.0 2.11
IntBdFd(a)* 77.7 80.8 −2.0 6.97
*Sub day every Thurs.
County Bank Currency Fund (z)
Dollar Class $22.9923 +0.0085 —
Sterling Class £11.3828 +0.0269 —
D-Mark Cl DM53.3983 +0.0202 —
DutchGldrCl DFl53.3792 +0.0176 —
Jap Yen Cl Y5.413.8719 +2.2677 —

Negit SA
10a Boulevard Royal, Luxembourg.
NAV $9.19 .... —

Newport International Management
Bank of Bermuda Bldg, Bermuda. 809 295 4000
NpInsec $15.71 — .... —
NpIntcF $14.58 — .... —
NpIPacific $12.31 — .... —

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg, Bermuda. 809 295 4000
AmericanTst $7.92 8.23 −0.42 —

Normandy Trust Managers Ltd
29, Athol St, Douglas, IoM. 0624 29696
NmdyMt £0.991 1.0432 .... 2.00
NdyCmT £1.2699 1.3368 .... 2.00
CmbrCrG £0.7640 0.8043 .... 2.00

Northgate Unit Tst Mngrs (Jersey) Ltd
PO Box 82, St Helier, Jersey. 0534 73741
PcFdNov15 12.08 13.01 +0.18 —
Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
NAV $15.79 +0.22 —
Inv. Adv., M & G Inv. Mngt. Ltd., London.

Perpetual UT Mngrs (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
OffsrGrw $113.2 102.4 .... 1.00

Phoenix International
PO Box 77, St Peter Port, Guernsey. 0481 23539
IntDollarFd $4.18 4.50 .... —
Far East Fd $3.42 3.69 .... —
IntCuryFd $1.76 1.90 .... —
DlrFxdIntFd $4.10 4.42 .... —
StgExGrFd £2.53 2.79 .... —

Providence Capitol International Ltd
PO Box 121, St Peter Port, Guernsey. 0481 26726/9
£UKFxdInt 163.1 175.4 +2.0 —
£UKStkMkt 168.3 181.0 +0.7 —
£StMdFd 144.8 15.8 −0.5 —
£SocMkFd 94.4 101.6 −13.6 —
$IntStkMkt 93.2 100.3 −5.3 —
$IntFxdInt 121.8 131.0 +1.6 —
$DllrMgFd 114.1 122.7 −0.6 —
$IntCurrcy 108.5 116.7 +0.5 —
$WldTech 130.1 139.9 +0.2 —
$NAmStkMkt 102.9 110.7 −2.9 —
$ Far East 107.8 116.0 +0.8 —
SwFrMgd $4.894 5.262 −0.005 —
Prices on Nov 14. Next dealing Nov 21.
For other prices ring 0481 26726-9.

Putnam International Advisers Ltd
10-12 Cork St, London, W1. 01-439 1391
Emrg Health Sci $9.11 .... —
International Fd $56.37 .... —
For Quest Fund Man. (Jersey) see Royal Trust Intnl. Mngt.

Quilter/Heinold Commodities
31.45 Gresham St, EC2V 7LH 01-600 4177
Resource Fd $141.08 .... 2.00
Next dealing date Dec 3.

Rea Brothers (IoM) Ltd
29 Athol St, Douglas, IoM. 0624 29696
Bond Fund £1.26 1.30 .... 7.74

Richmond Life Ass Ltd
4 Hill Street Douglas, IoM. 0624 23914
Gold Bond 240.8 256.0 +0.9 —
StrlDepBd 178.69 191.19 +0.02 8.36

Rothschild Asset Management (CI)
St. Julian's Ct, St Peter Port, Guernsey. 0481 26741
OCAmerFd $2.83 3.05 .... 1.42
OCsCo*** 201.8 213.9 −6.0 1.34
OC Cmdty† 122.6 129.9 −3.1 2.34
OCSCmdty $33.76 35.91 .... 1.64
HK Fd HK36.82 39.16 .... —
*Prices Nov 7. Next dlg Nov 21. †Prices Nov 14. Next dlg Nov 30. ***Prices Oct 31. Next dlg Nov 15. ††Dlg every Wed.
O.C. International Reserves
Sterling £15.967 +0.003 9.48
Australian $ A$15.803 +0.004 8.18
Canadian $ C$41.214 +0.011 10.08
Dutch Gldr DFl53.435 +0.005 4.70
Danish Kr DKr160.536 +0.049 10.99
Deutschmarks DM53.783 +0.006 4.58
Bel Frs (Fin) BFr956.80 +0.25 9.84
French Frs FFr187.10 +0.05 9.54
HK Dollar HK$106.389 +0.014 5.00
Italian Lire L43.777 +16 13.48
Singapore $ S$704.475 +0.015 6.75
Swiss Frs SF47.5335 +0.002 1.47
U.S. $ $33.088 +0.009 8.96
Japanese Yen Y6.709.41 +0.94 5.05
Daily dealings

Rothschild Australia Asset Mgmt Ltd
17 Bridge St, Sydney 2000, Australia.
Five Arrows $1.44 1.47 .... 6.10

Rouse Woodstock (Bermuda) Ltd
PO Box HM 1179, Hamilton 5-24, Bermuda. 809 295 2244
S'treadNAVOc31 $10.32 .... —

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey. 0481 23021
IntIncFd $9.70 10.34xd 8.07
IntlCapFd $16.6 16.25 .... —
NthAmFd $7.19 7.83 −0.06 —
FrEst&PacF $9.71 10.39 .... —
CanadnFd C$10.50 — .... —
RBC Intl Currencies Fd Ltd
U.S. $ $23.71 .... —
Canadian $ C$29.46 +0.01 —
£ Sterling £11.82 +0.01 —
D-Mark DM54.23 .... —
Swiss Franc SF41.97 .... —
Japanese Yen Y6,599 +1 —
Managed Fund $22.12 .... —

Royal Trust Intnl Fd Mgmt Ltd (x)
PO Box 194, St Helier, Jersey. 0534 27441
StrlFxdFd £0.889 0.899 +0.002 8.98(d)
Intrnl Secs $1.117 1.160 −0.090 0.90
Intnl Bnd $0.798 0.808 −0.001 9.52(d)
Prices on Nov 14. Next dealing Nov.21.

SCI/TECH SA
2 Boulevard Royal, Luxembourg.
SCI/Tech Nav $9.87 .... —

Save & Prosper International
PO Box 73, St Helier, Jersey. 0534 73933
Fixed Interest Funds
DM Bd DM10.66 11.24 +0.01 4.89
$ Fxd Int $8.13 8.67 .... 10.15
Stlg Fund 109.6 115.9xd −0.3 12.08
Yen Bond Y1,470 1,552 +3 2.90
Equity Funds
GlobIPtfloFd $5.00 5.00 .... 0.85
UK Growth 160.8 174.0 +0.6 1.63
Intnl Grw $10.03 10.85 −0.03 1.01
FarEastern $20.55 22.22 +0.04 0.34
NthAmer $7.78 8.42 −0.04 0.11
Gold $10.86 11.75 +0.10 2.72
Multicurrency Reserve Funds
U.S. $ 1.00 — 10.03
D-Marks 10.00 — 3.99
£ Sterling 1.00 — 9.10
Yen 100.0 — 5.03
Deposit Fund
SterDeposit 191.2 191.3 +0.1 0.13
All funds are daily dealings.

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27561
Schroder Money Funds Ltd
Sterling £15.6099 .... 9.75
U.S. $ $29.5090 .... 9.81
D-Mark DM54.1778 .... 4.64
Swiss Franc SF52.9195 .... 4.22

J. Henry Schroder Wagg & Co Ltd
120, Cheapside, EC2. 01-382 6000
AmInO31 $23.80 — 1.90
AsnFdNv5 $23.01 24.11 .... 3.73
ChosdNv14 $10.37 — −0.35 2.89
DrlgFdNv15 $3.62 3.86 +0.01 3.4
JapFdNv8 $17.19 18.48 +0.19 0.22
TrslFdOc31 16.04 17.03 .... —
N&TNv14 $37.79 — −0.92 —

Schroder Unit Trust Mgrs Int Ltd
Box 273, St Peter Port, Guernsey. 0481 28750
Mgd Cur* 582.3 613.7xd −0.7 6.52
£ Fxd Int* 645.0 684.6 −0.4 7.30
£ Equity* 169.2 181.0 +0.5 2.21
$FxdInt* $1.054 1.105 −0.003 8.81
$ Equity* $1.534 1.641 +0.008 0.61
HK Fd* $7.825 8.389 −0.030 2.39
Schroder Life Assurance Int Ltd
MgdCrLFd 670.2 720.1 .... —
£FxdIntFd 786.1 844.6 .... —
£EqtyLfFd 179.2 192.5 .... —
$FxdItLFd $1.355 1.456 .... —
$EqtyLfFd $1.586 1.704 .... —
£MgdLfFd 124.1 133.3 .... —
HK Lf Fd 7.200 7.738 .... —
Prices Nov 14. Next dealing Nov 21.
*Daily dealing.

Scrimgeour Kemp-Gee Mngmt Jersey
1, Charing Cross, St Helier, Jersey. 0534 73741
SKG Cap Fd 303.7 312.9xd .... —
SKG Inc Fd 63.6 65.6xd 7.27
Gilt Bond 173.5 182.7 +1.2 —

Securities Selection Ltd
Bermuda Hse, St Peter Port, Guernsey. 0481 26268
Forexfund $7.60 7.98 .... —

Sentry Assurance International Ltd
PO Box 1776, Hamilton 5, Bermuda 55303
For Funds Prices Phone UK 0908 670505 (24 hrs).

Singer & Friedlander Ldn Agents
21 New St, Bishopsgate, EC2M 4HR. 01-623 3000
Dekafds DM27.47 28.91 .... 6.84
TkyoTNv2 — $64.00 .... 2.40

Standards Chartered Off Money Mkt Fd
PO Box 122, St Helier, Jersey 0534 7445
Sterling £11.0577 +0.0083 9.4
U.S. $ $22.3566 +0.0170 9.3
D-Mark DM52.7997 +0.0203 4.6
Swiss Fr SF41.4209 +0.0113 3.2
Jap Yen Y5.325.1781 +2.2650 5.1

State St Bank Equity Hldgs NV
Car Mgt Co. 6 John B. Gorsiraweg, Curaçao.
Net asset value Oct 24 $7.81.

Strategic Metal Trust Mngrs Ltd
48 Athol Street, Douglas, IoM 0624 2686
Strg MT $0.9142 0.9413 +0.0380 —

Stronghold Management Limited
PO Box 315, St Helier, Jersey. 0534 7146

Surinvest (Jersey) Ltd
4 Hill St, Douglas, IoM 0624 2944
CopperTst £13.65 14.41 .... —

TSB Trust Funds (CI)
26 Hill St, St Helier, Jersey (CI). 0534 7349
TSB Gilt Fd 102.0 105.0xd 11.4
TBGiltFdJy 102.0 105.0xd 11.4
TSB Jy Fd 94.1 99.1 3
TSB Grnsy Fd 94.1 99.1 .... 3.8
TSBCrneyFd 101.8 107.0 .... —
Prices on Nov 14. Next sub day Nov 21

Taiwan (ROC) Fund
c/o Vickers da Costa Ltd, King William St, London, EC4. 01 623 249
NAV $443. IDR value US$11,257.94.

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 7291
Man Cur Fd 103.0 108.6 .... 4.2

Tonnant (Cayman) Managers Ltd and NATCO
PO Box 2100, Grand Cayman, (809) 949743
Wstmtr Com $8.35 8.79 .... —

Tokyo Pacific Holdings NV
Intimis Management Co NV, Curaçao.
NAV per share $138.27

Tokyo Pacific Hldgs (Seaboard) NV
Intimis Management Co NV, Curaçao.
NAV per share $100.90

Tyndall Bank (Isle of Man) Ltd
30, Athol St, Douglas, IoM. 0624 2920
Stg Mny Fd — — 9.87
US$ Mny Acc — — 8.7

Tyndall Managers
2 New St, St Helier, Jersey. 0534 37331
TOFSL 190.2 204.4 −0.8 1.2
American 205.2 21.8 −1.6 1.8
Far Eastern 253.8 271.8 +1.6 0.9
European 112.2 120.2 −1.8 0.8
PrtfloMan 102.5 110.2 −0.4 —
PrtfloSIAmr 99.2 107.2 −0.7 —
PrtfloSIFEst 104.5 111.9 +0.6 —
PrtfloSIEuro 105.6 113.0 −1.7 —
Jersey Fd 170.0 185.8xd +2.4 5.3
(Nn-JacUts) 416.6 454.8 +5.8 —
Gilt Fund 116.6 118.8 −1.6 9.9
(Accm Shs) 315.0 320.4 +3.6 —
Victory House, Douglas, IoM 0624 2411
High Inc Gilt 112.5 114.2xd +1.0 12.1
(Accum Shs) 215.2 210.4 +2.2 —

Tyndall International Assurance Ltd
Albert House, St Peter Port, Guernsey. 0481 2706
Int Eqty 427.5 450.0 +2.2 —
Do $ 5.400 5.685 −0.040 —
Pacific Eqty 131.3 138.3 +1.0 —
Do $ 1.655 1.745 −0.010 —
N Amr Eqty 91.6 96.5 −0.5 —
Do $ 1.155 1.220 −0.020 —
UK Equity 298.5 314.3 +5.7 —
Do $ 3.770 3.970 +0.025 —
Euro Eqty 117.6 123.8 −1.8 —
Do $ 1.485 1.565 −0.035 —
Intl Fxd Int 428.5 451.1 +1.1 —
Do $ 5.410 5.695 −0.055 —
Stg Fxd Int 270.9 291.5 +3.1 —
Do $ 3.495 3.680 −0.005 —
$ Deposit 137.2 144.5 +1.9 —
Do $ 1.730 1.825 .... —
Stg Deposit 156.2 164.5 +0.3 —
Do $ 1.970 2.075 −0.020 —
Commodity 412.0 433.7 +7.0 —
Do $ 5.205 5.480 +0.030 —
Gold 82.9 87.3 +1.0 —
Do $ 1.045 1.100 +1.0 —
UK Propty 195.1 205.4 +0.1 —
Do $ 2.460 2.595 −0.030 —
Do $ 2.465 2.595 −0.030 —
Intl2Mngd 350.5 369.0 +2.1 —
Do $ 4.425 4.660 −0.025 —
UK Mngd 261.0 274.8 +3.2 —
Do $ 3.295 3.470 +0.005 —

Tyndall-Guardian Mngt Ltd
PO Box 1256, Hamilton, Bermuda.
T-G American $21.27 .... —
T-G Money $23.95 .... —
T-G Eurobond $15.54 .... —
T-G Commodity $21.51 .... —
T-G Mortgage C$21.91 .... —
T-G Overseas $11.44 .... —
T-G Pacific Y2.055 .... —
T-G Wall Street $26.08 .... —
T-G Gold $8.49 .... —

M. G. Tyrrell & Co Ltd
PO Box 415, London W1 9NY.
Ortac $11.60 11.90 .... —

Unico Invest Fd Mgt Co SA Lux
London & Continental Bankers Ltd.
2 Throgmorton Ave, London. 01-638 611
Uc Inv Fd $68.77 70.90 −5.40 —

Union-Investment-Gesellschaft GmbH
Postfach 16767 D 6000 Frankfurt 16.
Unifds DM19.35 20.40 .... —
Unirak DM70.57 74.10 +0.10 —
Unirenta DM38.92 40.10 .... —

United Fund Managers Ltd
16-8 Queens Rd Central, Hong Kong. 5-23141
$ Mly T 9.00 9.39 .... —
For Vanbrugh Currency Fund see Holborn Fund Management (Jersey) Ltd

S. G. Warburg & Co Ltd and subsdrs
33 King William St, EC4R 9AS. 01-280 222
EvIntNov14 $43.52 — +0.03 —
MrcEbdNv7 $15.89 16.06 .... 7.5
SelRsOct18 $16.7 16.32 .... 1.5
39-41 Broad Street, St Helier, Jsy, CI. 0534 7471
MrcCNv13 £27.62 28.32 .... 1.3
McFeNv14 £25.55 26.19 −0.76 0.9
NrTrsNv9 £26.81 26.47 .... —
MtTstNv1 £13.64 13.98 .... 3.0
MrSmtNv3 £20.21 20.72 .... 1.4
Mercury Money Market Trust Ltd
D-Mark DM79.19 +0.06 —
Dutch Gldr DFl106.56 +0.06 —
Japanese Yen Y7.986 +5 —
£ Sterling £19.64 +0.02 —
Swiss Franc SF77.78 +0.03 —
U.S. $ $33.72 .... —
3 Thomas St, Douglas, IoM. 0624 485
MrclrMFd 57.8 61.5xd 7
MrclrBdFd 40.6 43.2xd 7

Wardley Fund Managers (Jersey) Ltd
HK Bk Bldg, Grenville St, St Helier. 0534 7146
Wrdly Gt Fd 101.0 105.0 .... 10.7

Wardley Investment Services Ltd
4th Floor, Hutchinson House, Hong Kong.
Wrdly Tst $5.41 5.79 .... 1.3
WdyNikAF $25.41 26.95 .... 5.5
WrdlyBdT $10.51 11.10 .... 7.3
WrdlyJapT $33.60 35.63 .... 0.2
WrdlyPyCT $10.25 10.90 .... 2.0

West Avon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 2796
Gilt&OptFd £1.19 1.24 .... 5.0
US & Opt £0.95 1.00 .... —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.
WwdGthF $11.75 — +0.03 —
Inv. Adv.: M&G Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 2501
Wren Com Fd 12.8 13.3 .... 3.1
Chinese Fd 59.9 62.4 .... 1.7
PrecMetFd 122.6 127.7 .... 8.7
VangCmdyFd 26.5 27.2 .... —
FinFuturesFd 32.1 33.4 .... —

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.
DynmcGthFd $9.53 — .... —

Money Market Trust Funds

Nom Apr Int Cr Notice

Mallinhall Ltd
36 Berkeley Sq, W1X 5DA. 01-499 663
M'hallMnyF 10.00 10.37 Qtr Call

The Money Market Trust
63 Qn Victoria St, EC4N 4ST. 01-236 0952
Call Fund 10.11 10.41 6mth Call
7-day Fund 10.38 10.70 6mth 7-day

Oppenheimer Money Management Ltd
66 Cannon St, EC4N 6AE. 01-236 1425
Call Fund 9.89 10.13 6mth Call
7-day Fund 9.99 10.23 6mth 7-day
MnyMgAc 9.75 10.11 3mth Call
Dollar 8.19 8.39 6mth 2-day

Money Market Bank Accounts

Nom Apr Int Cr Notice

Aitken Hume
30 City Road, EC1Y 2AY. 01-638 6070
Treasury Acc 10.00 10.00 Qtr Call
MthIntChq 10.00 10.47 Mth Call

Bank of Scotland
38 Threadneedle St, EC2P 2EH. 01-628 8060
Cheque Acc 9.60 10.03 Mth Call

Barclays Prime Account
PO Box 125, Northampton. 0604 25289
High Int Chq 9.75 10.11 Qtr Call

Britannia Grp of Investment Companies
29 Finsbury Circ, EC2M 5QL. 01-588 2777
Cater Allen 10.00 10.471 Mth Call

Charterhouse Japhet plc
1 Paternoster Row, EC4M 7DH. 01-248 3999
Sterling 10.00 10.47 Mth Call
U.S. Dollar 9.00 9.51 Mth Call
German Marks 5.0 5.19 Mth Call
Swiss Francs 2.0 2.05 Mth Call
Japanese Yen 5.0 5.19 Mth Call

Choulartons
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW. 061-928 9011
Cheque Acc 10.25 10.75 Mth Call

Co-operative Bank
78-80 Cornhill EC3. 01-626 6543 Ext 465
Cheque&Save 8.00 8.24 Qtr Call
Over £1,000 10.00 10.38 Qtr Call

Dartington & Co Ltd
Dartington, Totnes, Devon, TQ9 6JE. 0803 862271
MnyMktAcc 10.25 10.66 Qtr Call

Lombard North Central plc
17 Bruton St, W1A 3DH. 01-409 3434
Notice Dep 10.250 10.51 Rate 14day

M & G Kleinwort Benson
91-99 New London Rd, Chelmsford. 0245 51651
HighInChqAc 9.78 10.25 Daily Call

Midland Bank plc
PO Box 2, Sheffield. 0742 20999 Ext 8736
High Int Chq 9.50 9.84 Qtr Call

Save & Prosper/Robert Fleming
28 Western Rd, Romford, RM1 3LB. 0708 66966
HghIntMktAc 9.53 10.00 Qtr Call
Premier Acc 9.53 10.00 Daily Call

Tyndall & Co
29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241
Demand Acc 9.85 10.17 Qtr Call
Money Acc 10.00 10.39 Qtr Chq

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth. 0705 827733
Special Acc 9.875 10.33 Mth Call
OverE10,000 10.125 10.60 Mth Call

NOTES—Interest rates given both as nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. € Guernsey gross. $ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. Φ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

EEC butter plan firm despite U.S.

BY IVO DAWNAY IN BRUSSELS

THE EEC will press on with its scheme to sell 18-month-old butter at specially reduced prices in spite of probable U.S. objections at today's Geneva meeting of the dairy committee of the General Agreement on Tariffs and Trade.

New Zealand and Australia have reluctantly accepted the sales programme and it was reported in Paris yesterday that M Jean Baptiste Doumeng, the French Communist commodities trader, has already won a $200m (£158.7m) contract to sell 200,000 tonnes of EEC butter to the Soviet Union.

The compromise on the deal is, however, unlikely to satisfy the U.S., long vociferous in criticism of EEC export subsidies.

The Community cut-rate scheme allows traders buyer 50,000 tonnes of six-month-old butter to buy a similar quantity more than 18 months old at $450 a tonne, way below the Gatt $1,200 minimum.

Under the compromise agreed in talks with Australia and New Zealand in Brussels last week, other countries can take advantage of the minimum price agreement suspension for their own deals.

The row has, however, called into question the efficacy of the International Dairy Agreement. It also comes at a sensitive time in trade relations with the Community, under pressure to agree a resolution triggering a Gatt programme of subsidy reductions at talks resumed in Geneva yesterday.

Last month Mr John Block, U.S. Farm Secretary, gave a satellite press conference to attack EEC insistence on including producers' aids

Decision due on merger of gold futures with Liffe

A DECISION on whether the London gold futures market would be taken on to the London International Financial Futures Exchange next year will be made soon, said Mr Michael Jenkins, Liffe chief executive.

Speaking to Reuter in Tokyo he said the Liffe board had discussed the matter after an approach by the gold market. A merger with Liffe was an option advanced in the recent report by Mr John Wolff which assessed survival prospects of the London gold futures market.

The report is to be considered at the next meeting of the LGFM board on November 23 and at a special meeting of the members called for December 3.

● EGG PRICES will rise by 4p a dozen next week, said Goldenlay, the farmer marketing consortium. It said the rise in wholesale prices was due to the usual seasonal pre-Christmas rise in demand.

● SUGAR YIELDS from beet arriving at British Sugar factories rose again last week and a second highest-ever crop of 1.25m tonnes of white sugar is still predicted. Samples show sugar per root to date averaged 127 gm compared with 126 gm a week earlier and 120 gm at the corresponding time last year.

● SRI LANKA has reduced its export duty on all varieties of tea, the Tea Board said in Colombo. The duty on green tea and tea in bulk is cut by Rs 2 per kilo to Rs 7, on tea in packets by Rs 2 to Rs 5.50, on instant tea by Rs 2 to Rs 12 and on tea in bags 50 cents to Rs 1.50.

● INDONESIA has begun to explore the possibilities of exporting rice this year because of record domestic output and inadequate storage.

Farmers should not need to pay for advice

Farmer's Viewpoint: By John Cherrington

SCEPTICS VIEWING the agricultural scene often ask me why such an obviously prosperous industry should need a state-subsidised advisory service to guide it. Could not farmers, as do most other businessmen, fund their own research themselves.

Moreover, sceptics question the virtues of a system which appears to them to show farmers how to produce commodities in excess of market demand while the taxpayer has to pay the costs of instruction and of the removal of the excess from the market.

These are both good questions which no one has really tried to answer.

The principle of giving farmers free advice was established by large landowners two centuries ago. If tenant-farmers, who were in the great majority at the time, did well rents could be raised, so landowners' motives were not altogether altruistic.

In the intervening period advice was given freely at times of food shortages, such as the two World Wars. This principle is difficult to alter to meet short-term situations of shortage.

Government involvement in farming began with the Board of Agriculture in the 19th-Century. It took in hand the control and eventual elimination of animal diseases, notably foot-and-mouth and rinderpest which had raged unchecked for centuries.

This soon spread to funding some costs of agricultural education at colleges and universities, mainly designed for farmers' and landowners' sons.

Extension of these activities to those actually farming began seriously between the World Wars and were generally based on the colleges but administered by county councils.

At the outbreak of the Second World War these activities were welded into an administrative machine for carrying out the Government's wartime policy. Advice was certainly given but the main purpose was to monitor and direct food production in the national interest.

After 1945 the service was effectively nationalised into the National Agricultural Advisory Service. NAAS in 1971 became the Agricultural Development and Advisory Service.

ADAS, on paper, should be the world's most efficient service for agricultural extension. Backed by a network of experimental farms and research institutes its officers should be a fountain of disinterested advice.

While, however, most of them would like to be just that, their circumstances do not allow them to be.

This is because much of their work is administrative. They monitor grants and subsidies and, as well as they are able, see that the money is well spent. This, in the circumstances, may well be unavoidable but it is not what they were trained for.

About ten years ago it was laid down that certain aspects of advisory work should be paid for by farmers. It is not very clear how much has been, and this opened the way to competition with the advice freely offered by the various supply firms.

Now Professor Ronald Bell, ADAS director-general, has studied the service at the request of the Agriculture Minister. He makes the point that in future farmers who benefit from ADAS advice should pay for it. This could mean about 20 per cent of the total cost of ADAS, at present £122m a year, would be saved.

Professor Bell floated the idea that rather than billing individual farmers, some of the cost could come from a levy on production. There is precedent here in arrangements for sugar-beet research.

He was enthusiastic for what he called information technology. Information would be stored in a data-base and farmers could reach it through their own computers. This, one gathered, could mean a saving in manpower. As a final point he underlined that ADAS should actively promote and further ministry policies.

As a fairly antique farmer my reactions are sceptical. I will not pay for advice of I can get it for free from other sources. Further I do not need a computer for that.

These other sources are largely commercial companies but any one farming should know just how to evaluate commercial advice. In any case, what about the statement that ADAS should promote ministry policies? These might be even further from my best interests than those of the commercial companies.

NFU attacks France for milk levy failing

By Andrew Gowers

SIR RICHARD BUTLER, president of the National Farmers Union, criticised France yesterday for failing to pay its super-levy on excess milk production by the agreed deadline this week.

"It is intolerable that countries which are over-producing should be opting out of payment of the levy by this kind of delay," he told a press conference after a meeting of the union's governing council.

His remarks reflect anger among UK dairy farmers at France's move to defer payment and follows a row at this week's meeting of EEC agriculture ministers on the subject.

In what was seen as a severe setback to the Community's quota scheme to curb milk output, France told other member-states on Tuesday that it was unable to collect payments from its 440,000 producers owing to a lack of administrative machinery.

As a result, the European Commission, charged with administering the system, has agreed to delay for eight days the rules requiring immediate payment for excess milk production.

French output is said to be running just above last year's level, though dairymen should have cut production by 2 per cent.

UK farmers are angry because they have cut back by more than the 6.5 per cent required, partly as a result of initial overreaction to the quota announcement and partly because of the summer drought in the West Country.

Sir Richard, however, held out hope that quotas, a cornerstone of EEC agricultural reforms, would eventually be enforced.

EEC steps up grain export

THE POKER game between the European Commission's cereals-market managers and international grains traders may have ended after yesterday's return to successful tendering at last year's levels, writes Ivo Dawnay in Brussels.

A total of 357,000 tonnes of wheat was authorised for sale with a rebate of Ecu 16.49 a tonne alongside 150,000 tonnes of barley at Ecu 36.74 a tonne. This compares with average wheat sales for this period of the season last year of about 400,000 tonnes.

There remains a vigorous internal debate in the commission, however, as to whether the tough line taken in recent weeks was the correct policy.

Senior officials successfully argued that the high dollar meant export subsidies should be kept low, often at about Ecu 5 per tonne, but the consequence was no successful tenders for five weeks.

Last week when the dollar fell, about 200,000 tonnes were sold but at a markedly higher cost to the EEC of an Ecu 15-a-tonne subsidy.

This followed even more rigorous moves by the commission to force traders to lower rates of export aid requested by suspension of the alternative minimum subsidy usually on offer daily.

The traders say the Community missed the chance to sell substantial quantities of grains with less costly support by insisting on reduced tenders.

Senior market managers say the trade was trying to use this year's 70-tonne bumper harvest and the pressure on stores to unreasonably increase profit margins.

Palm oil output recovering faster than expected

THE SEASONAL downturn in Malaysian palm oil production may be taking place later than usual, resulting in larger than expected supplies for export markets, according to origin trade sources, writes John Buckley.

After the record 411,271 tonnes produced in September, traders had expected a dip of up to 20 per cent a month as palm trees entered their wintering period. October output, however, may actually rise to a new peak of between 420,000 tonnes and 430,000 tonnes if preliminary estimates for West Malaysia hold true at about 400,000

Traders point to the increasing area of new plantations reaching maturity as one reason for the continued increase. However, actual yields of palm fruit per tree may at last be recovering after a steep decline in the wake of last year's drought.

Taking both factors into account some local traders forecast production for November at 400,000 tonnes and December at 350,000 tonnes. This would put annual production on course for 3.75m tonnes, or about 200,000 to 250,000 tonnes more than official estimates.

The rapidity of the recovery in output has already resulted in a buildup of stocks at origin. Traders expect the end-October figure to reach 295,000 tonnes against 265,000 tonnes in September and 136,000 tonnes in October last year.

After brisk business and firmer prices last month, the palm oil market has re-entered a slack period. This was caused partly by the assassination of Mrs Indira Gandhi, which caused a hiatus in India's purchasing programme. India did buy some neutralised palm oil from Malaysia last week for her soap manufacturers but traders believe her edible oil import needs are well covered.

Pakistan, second-largest buyer after India, has recently shown more interest in soyabean oil.

In spite of the lack of new business the Malaysians remain reluctant to press the market with lower prices. One shipper is convinced that origin exporters are still banking on a tight and expensive market developing for soyabean oil

The reasoning is that U.S. crushing of soyabeans may not recover with the advent of new crop supplies because of the poor demand for meal, so oil pipelines will remain starved.

A classic tug-of-war between the bears and bulls in the edible oil market could well be resolved by who wins the war of nerves over palm oil prices.

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 15 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1270/1300	+10	$1080-10
Copper			
Cash h Grade	£1068	−8.25	£1048.5
3 mths	£1083.25	−5	£1073.5
Cash Cathode	£1065.5	−5.5	£1050.5
3 mths	£1084	−7.5	£1070.5
Gold troy oz.	$344	−1.7	$340.25
Lead Cash	£349	−1.5	£337
3 mths	£347.25	−1.75	£344.25
Nickel	£5967		£5333
Free Mkt	212.252c	−2	216/238c
Palladium oz.	$147.50	−0.25	$139.25
Platinum oz.	$331.50	−2	$325.75
Quick Silver†	$300/310		$302/310
Silver troy oz.	601.10p	−2.50	604.80p
3 mths	615.05p	−2.75	619.80p
Tin cash	£9647.5	+30	£9747.5
3 mths	£9647.5	+30	£9726
Tungsten	$88.53		$85.16
Wolfram 22.04lb	$79/83		$84/87
Zinc	£618.5	−2	£636.5
3 mths	£623.75	−4	£621.5
Producers	$900		$900

	Nov. 15 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$960w	−40	$1175
Groundnut	$975x		$820
Linseed Crude	£530		‡
Palm Malayan	$645	−7.5	$625
Seeds			
Copra Phil	$600x	−15	$700
Soyabean (U.S.)	$258.5	−0.25	$258.75
Grains			
Barley Fut. Jan.	£109.50	+0.25	£110.90
Maize	‡		‡
Wheat Fut. Jan.	£110.30	+0.15	£110.00
No2 Hard Wint.	‡		‡
Other commodities			
Cocoa ship't*	£2003	+14	£2014
Futures Dec.	£1937	+13.5	£1933.5
Coffee Ft. Jan.	£2379.5	+10.5	£2382.5
Cotton A index	‡		73.55c
Gas Oil Dec.	$237.5	−1.75	$221.25
Rubber (kilo)	60p		61p
Sugar (raw)	$116.5w	−2	$128
Wooltops 64s	470p	kilo	467pkilo

‡ Unquoted. z Dec. y Jan-Feb. x Dec-Jan. w Nov-Dec. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.90-28.00	−0.1
Dubai Fateh	27.20-27.30	−0.08
Arab Heavy	26.50-26.60	−0.08
North Sea (Forties)	27.85-27.95	−0.08
North Sea (Brent)	27.85-28.05	+0.05
African (Bonny Li'ht)	27.95-28.05	—
Urals	28.05-28.15	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	250-254	—
Gas Oil	236-242	−1.5
Heavy fuel oil	183-187	—

GAS OIL FUTURES

The market moved lower but again found support from the physical market. Activity remained light throughout the day as prices moved in a narrow range, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov.	234.00	−1.75	234.75-33.00
Dec.	237.50	−1.75	238.50-37.25
Jan.	238.00	−2.00	239.00-37.50
Feb.	236.25	−2.25	237.50-36.25
March	233.50	−0.50	233.50-35.00
April	227.50	−5.00	229.75-29.00
May	226.50	−3.50	226.50
June	226.50	−4.00	—
July	226.00	−2.50	—

Turnover: 1,758 (2,407) lots of 100 tonnes.

GOLD MARKETS

Gold fell $1¼ an ounce from Wednesday's close in the London bullion market yesterday to finish at $343¾-344¼. The metal opened at $346-346½ which proved to be the day's high and touched a low of $343¼-343¾. It recovered during the afternoon from a bout of selling after lunch but lacked any real conviction in view of uncertainty currently surrounding the dollar.

In Paris the 12½ kilo bar was fixed at FFr 101,200 per kilo ($345.49 per ounce) in the afternoon compared with FFr 101,200 ($345.44) in the morning and FFr 103,000 ($347.68) on Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,020 per kilo ($346.45 per ounce) against DM 33,130 ($347.43) previously and closed at $343½-344 from $346-$346½.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $345.70 from $346.25.

In Zurich gold finished at $343½-344 from $345¾-346¼.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Nov.	—	—	—
Dec	345.50-45.60	−2.25	347.50-44.50
Feb.	351.50	—	352.10
April	—	—	—
June	—	—	—
Aug	—	—	—

Turnover: 107 (391) lots of 100 troy ounces.

	Nov. 15		Nov. 14	
Gold Bullion (fine ounce)				
Close	$343¾-344¼	(£272½-273)	$345½-346	(£273¼-274)
Opening	$346-346½	(£273¼-273¾)	$346¼-346¾	(£274-274½)
Morning fixing	$345.35	(£273.363)	$346.00	(£273.908)
Afternoon fixing	$343.75	(£272.126)	$345.80	(£273.684)

Gold and Platinum Coins Nov. 15					
Krugrnd	$354¼-355	(£280¾-281¼)	King Sov	$82-83½	(£65-66)
½ Krug.	$182¾-183½	(£144¾-145½)	Victoria Sov	$83-83½	(£65-66)
¼ Krug.	$93¼-94	(£74-74½)	French 20s	$66¾-68½	(£53-54¼)
1/10 Krug.	$38-38¾	(£30-30¾)	50 Pesos Mex	$427-429	(£338½-340)
Mapleleaf	$354-354½	(£280½-281)	100 Cor Aust	$335-338	(£265½-268)
New Sov.	$81-81½	(£64¼-64½)	$20 Eagles	$510-530	(£404¼-420)
½ New Sov.	$48½-49¼	(£38½-39)	Noble (Plat.)	$341-344¾	(£270½-273½)

EUROPEAN MARKETS

ROTTERDAM, November 15.

Maize—(U.S. $ per tonne): U.S. three yellow afloat 135, Nov 135, Dec 133.75, Jan/Mar 136.50, April/June 139 sellers. Argentine Plate afloat 173, Dec 173 April/June 138 sellers.

Wheat—(U.S. $ per tonne): U.S. two soft red winter Dec 160.50, Jan 161, Feb 162, Mar 162.50. U.S. two northern spring 14 per cent protein Dec 173.50, Jan 183.50, Feb 188.50, Mar 189.50, April/May 179. U.S. northern spring 15 per cent protein Dec 184, April/May 193.50. U.S. three hard amber durum mid-Nov/mid-Dec 190, Dec 191, Jan 202, Feb 203, Mar 204, April/May 198, June 196, Sept 195. Canadian one western amber durum mid-Nov/mid-Dec 208.

Soyabeans—(U.S. $ per tonne): U.S. no two yellow Gulfports Dec 252.50, Jan 253.40, Feb 256, Mar 258, April 260, May 262.25, June 264.80, July 265.60 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 170, Nov 166, Dec 166, Jan 166, Jan/Mar 168, April/Sept 188 sellers. Pellets Brazil Nov 186, Dec 185, Jan 188, Jan/Mar 190, April/May 188.50, April/Sept 196 sellers. Pellets Argentine afloat 180 to 178, Nov 174, Dec 172, Jan 176, Jan/Mar 178, May/Oct 184 sellers.

PARIS, Nov 15.

Sugar—(FFr per tonne): Dec 1450/1489, Mar 1532/1533, May 1583/1585, Aug 1650/1652, Oct 1697/1707, Dec 1745/1765.

Cocoa—(FFr per 100 kg): Dec 2175/2180, Mar 2150/2165, May 2155 bid, July 2155 bid, Sept 2155 bid, Dec 2105/2120, Mar 2120 ask.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Aluminium remained a highly volatile market and rose strongly from £965 to £987 early on, reflecting renewed speculative and Commission House buying, before closing the late Kerb at £982. Copper initially moved up to £1,094, boosted by the strength of aluminium, but subsequently fell back to close at £1,086. Tin remained a firm market, closing at £9,640, after £9,660, while Lead closed at £350, after £344 and Zinc at £624.5, after £623.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1064.5-5	—	1057.5-8.5	−8.25
3 months	1089.5-9	—	1083-.5	−5.5
Settlem't	1065	—	—	—
Cathodes				
Cash	1071.5-2	+0.75	1065-6	−5.5
3 months	1091-2	—	1083-5	−7.5
Settlem't	1072	−1.0	—	—

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,093, 92.5, 93, cash £1,085, three months £1,092, 91, 90.5, 90, 89.5. Cathodes: Three months 109.1. Kerb: Three months £1,088, 88.5, 88. Afternoon: Higher Grade: Three months £1,086, 85.5, 85, 86, 85.5, 83, 84, 84.5, 84, 83.5, 83. Kerb: Higher Grade: Three months £1,083, 82.5, 83, 83.5, 84, 85, 86, 85.5, 86. Turnover: 22,325 tonnes. U.S. Producers: 66.00-69.00 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9670-80	+54.5	9685-90	+45.0
3 months	9670-80	+52.5	9685-90	+45.5
Settlem't	9680	+58.5	—	—
Standard				
Cash	9656-9	+69.0	9655.50	+30.0
3 months	9650-5	+60.0	9645.50	+50.0
Settlem't	9550	+60.0	—	—
Straits E.	$29.15	−0.09	—	—

Tin — Morning: Standard: Three months £9,650, cash £9,655, three months £9,660, 55, 50, 55. High Grade: Three months £9,680. Kerb: Three months £9,655, 50. Afternoon: Standard: Three months £9,650. High Grade: Three months £9,690, 80, 85. Kerb: Standard: Three months £9,640, 45. Turnover: 1,865 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	347-8	−0.25	348.5-9.5	+1.5
3 months	347-8	−0.25	347-.5	+1.75
Settlem't	348	−2.0	—	—

Lead—Morning: Three months £351, cash £349, 48, three months £349, 48, 47. Kerb: Three months £348, 47, 46, 45. Afternoon: Cash £349, three months £344, 45, 46, 47, 48, 47.5, three months £347. Kerb: Three months £347, 46.5, 47, 48, 49, 50. Turnover: 18,175 tonnes. U.S. Spot: 26.00-28.00 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	618-20	−9.5	618-9	−2.0
3 months	636-.6	−8.0	623.5-4	−4.0
Settlem't	620	−9.0	—	—

Zinc—HIGH GRADE OFFICIAL/UNOFFICIAL PRICES: Cash am £663-667, pm £668-669. Three months am £668-£669, pm £668-669; settlement £667. Morning: Three months £629, 28, 27.5, 27, 26, 25.5, 26, 27, 26. Kerb: Three months £626, 27, 26. Afternoon: Three months £626, 27, 26, 24, 25, 24.5, 24, 23, 24, 23.5, 24. Kerb: Three months £623, 24, 24.5, 25. Turnover: 18,750 tonnes. U.S. Prime Western: 45.00-45.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	952.5-3.5	+7.5	952-3	+10.2
3 months	978.5-9	+7.5	978.5-9	+11

Aluminium—Morning: Three months £984, 84.5, 84, 83.5, 83, 83.5, 80, 79, 81, 81.5, 82, 83, 82, 81, 80, 79. Kerb: Three months £980, 79, 80, 81, 82, 81, 80.5. Afternoon: Three months £979, 78, 77, 76.5, 77, 78, 78.5, 78, 77.5, 77, 76.5, 77, 78, 78.5, 79. Kerb: Three months £979, 79, 80, 81, 81.5, 82, 81.5. Turnover: 37,375 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. unofficial	+ or —†
Spot	3722-7	−18.5	3735-40	+14.5
3 months	3804-5	−16.5	3817-20	+16.0

Nickel — Morning: Three months £3,800, 05. Afternoon: Cash £3,730, three months £3,812, 14, 15, 17, 15, 10, 15, 17. Kerb: Three months £3,820, 25. Turnover: 1,866 tonnes.

SILVER

Silver was fixed 2.3p an ounce lower for spot delivery in the London bullion market yesterday at 601.10p. U.S. cent equivalents of the fixing levels were: spot 758.5c, down 6.2c; three-month 777.4c, down 6.4c; six-month 794.6c, down 6.9c; and 12-month 837.1c, down 5.8c. The metal opened at 603½-606½p (704-707c) and closed at 600½-603½p (758-761c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	601.10p	−2.30	601.5p	−1.0
3 months	615.05p	−2.75	616.5p	−1.0
6 months	627.60p	−2.95	—	......
12months	656.80p	−3.05	—	......

LME—(2,000 oz contract): Cash 601.5p (602.5p); three months 616.5p (617.5p). Turnover: 0 (0).

Turnover: 96 (43) lots of 10,000 oz.

Morning: large 2nd ring cash 600, three months 615, 16, 15.5, 15. Kerb: large three months 615. Afternoon: large 1st ring three months 616.0; 2nd ring three months 615.5, 17, 16. Kerb: three months large 617, 16, 15.

COCOA

Although reaching £20 lower futures rallied strongly during the late afternoon and closed at the highs. Physical interest was light and with producers and consumers both withdrawn trading was restricted to the second-hand market, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1925-2300	—	—
Dec.	1936-1938	+13.5	1940-1904
March	1886-1887	—	1890-1866
May	1889-1890	+3.5	1890-1871
July	1887-1888	—	1890-1872
Sept.	1881-1883	−4.5	1888-1875
Dec	1824-1825	−9.0	1832-1820
Mar	1814-1830	−13.0	1830-1825

Sales: 3,642 (2,352) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for November 15: 105.53 (105.97); five-day average for November 16: 195.56 (105.40).

COFFEE

Cross-trades of over 2,000 lots inflated the turnover during a fairly active session, reports Drexel Burnham Lambert. Prices gradually moved higher after initial losses but light profit-taking took values off the highs except for January which remained steady.

COFFEE	Yesterd'ys Close	+ or —	Business Done
Nov	2510-95	−20.5	2611-90
January	2579-80	+10.5	2385-61
March	2229-30	−3.0	2242-29
May	2186-88	+4.0	2194-79
July	2174-76	—	2180-75
Sept.	2163-64	−5.5	2171-62
Nov.	2158-60	−0.5	2165-61

Sales: 4,783 (1,706) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for November 14: Comp daily 1979 140.72 (141.17); 15-day average 138.23 (137.95).

GRAINS

Business done—Wheat: Nov 107.45-7.15, Jan 110.30-10.00, March 113.60-3.25, May 116.95-6.75, July 118.60 only, Sept 97.25 only. Sales: 107 lots of 100 tonnes. Barley: Nov 106.75-6.65, Jan 109.60-9.50, March 112.75-2.65, May 115.35 only, Sept untraded. Sales: 84 lots of 100 tonnes.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd's close	+ or —
Nov.	107.45	+0.15	106.75	—
Jan.	110.30	+0.15	109.60	+0.25
Mar.	113.60	+0.10	112.85	+0.25
May	116.95	+0.20	115.40	+0.35
July	118.55	−0.05	—	—
Sept.	97.15	−0.25	96.50	—

HGCA — Locational ex-farm spot prices. Feed barley: S. East 106.30, S. West 106.00, N. West 104.20. The UK monetary coefficient for the week beginning Monday November 19 will remain unchanged.

LONDON GRAINS—Wheat: U.S. dark northern spring no 1 15 per cent Dec 151.35, Jan 157.25, Feb 159.60 transhipment east coast. U.S. no 2 soft red winter Dec 140.75, Jan 141 Feb 141.75. English feed fob Nov 109.25 south coast, Dec 110, Jan 112, Jan/Mar 113.50, April/Jan 119. Maize: U.S. no 3 yellow/French transhipment east coast Nov 140.50 quoted. Barley: English feed fob Nov 110.50 Scottish, Nov 110.75, English, Dec 112, Jan/Mar 115.50, April/June 119.50. Rest unquoted.

PIGMEAT

In thin trading conditions prices rallied on the close to finish slightly firmer, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Feb	117.60	117.60	118.70-17.10
April	116.70	116.30	118.70-16.60
June	113.40	113.20	115.40-13.20
Aug	110.80	110.80	—
Oct	116.40	116.20	115.40-15.10
Nov	116.40	116.50	—

Sales: 55 (18) lots of 50 carcases, 3,250 kg.

POTATOES

The market recovery continued with values improving throughout the day to close on a firm note despite the fact that physical prices are still sinking and showing little signs of immediate improvement, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov.	49.00	47.00	48.00-47.00
Feb.	48.30	47.80	—
April	58.80	57.80	58.90-57.00
May	61.30	60.60	61.50-58.50
Nov	68.50	67.00	—

Sales: 336 (474) lots of 40 tonnes.

RUBBER

FUTURES—RSS No. 1 (£ per tonne). Buyer, seller, business: Dec 595, 615; Jan 605, 625; Feb 615, 635; March 625, 645; April 635, 655; May 645, 665; June 655, 675; July 665, 685; Aug 675, 695 (all untraded). 1985 Jan/March 615, 635, 615; 1985 April/June 645, 665, untraded; 1985 July/Sept 675, 695, u/t. Sales: 0 (0) lots of 5 tonnes; 1 (29) lots of 15 tonnes.

PHYSICALS—The London market opened unchanged, attracted no interest throughout the day and closed idle, reports Lewis and Peat. Closing prices (buyers) spot 60.00p (same); Dec 69.50p (same); Jan 70.25p (same). The Kuala Lumpur Dec fob price for RSS No 1 was closed (197.0) cents a kg and for SMR 20 was closed (186.0).

SOYABEAN MEAL

The market opened 50p-£1.00 lower in fairly active trading, reports T. G. Roddick. Shipper sellers pushed prices lower throughout the day.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Dec	152.0-149.8	−1.50	—
Feb	156.5-156.7	−1.00	157.5-156.5
April	139.0-158.2	−0.70	159.5-154.0
June	140.5-148.6	−1.40	141.0-140.0
August	143.5-148.6	−0.65	144.4-
October	144.0-146.6	−1.80	—
Dec	145.5-148.8	−1.80	—

Sales: 436 (398) lots of 20 tonnes, 0 (0) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $116.50 (£92.00), down $2.00 (down £2.00), a tonne for Nov-Dec delivery. White sugar $161.50, down $1.50.

The market tested the support level of $150, basis March, after which prices rallied, reports C. Czarnikow.

No.6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec	153.2-154.0	138.0-138.8	132.8-152.4
Mar	152.0-152.2	160.6-161.0	152.6-159.6
May	159.6-158.8	157.2	160.2-157.2
Aug	168.2-168.6	165.6-166.2	169.6-166.0
Oct	176.4-177.0	173.6-175.0	176.2-174.0
Dec	183.4-185.6	180.0-182.0	185.4-181.0
Mar	197.2-197.6	194.0-195.4	197.2-194.6

Sales: 1,875 (1,423) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £198.50 (£199.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for November 14: Daily price unavailable (4.62); 15-day average unavailable (4.65).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 181 tonnes. Occasional interest was shown in African upland growths and a modest volume of business resulted. Long staple varieties were disregarded.

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 97.40p per kg lw (+0.58). GB—Sheep 180.98p per kg est dcw (−9.55). GB—Pigs 93.22p per kg lw (+1.82).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 77.0-84.0; English forequarters 55.0-58.5; Eire hindquarters 90.0-98.0. Veal—Dutch hinds and ends 122.0-126.0. Lamb—English small 80.0-84.0, medium 78.0-82.0, heavy 76.0-80.0; Scotch medium 77.0-80.0, heavy 75.0-78.0; Imported: New Zealand PL 67.0-67.5, PX 63.5-64.5. Pork—English under 100 lb 56.0-64.0, 100-120 lb 57.0-63.0, 120-160 lb 50.0-58.0.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 508, 512, 519-513; Jan 509, 515, 518; March 515, 518, 525-519; May 523, 524, 532-524; Aug 536, 539, 546-538; Oct 538, 540, 547-540; Dec 539, 541, 549-541; Jan 540, 542, 549-543; March 546, 549, 555-548; May 549, 553, 561-555. Sales: 206.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 565.1, 567.0, 565.1-565.0; Mar 582.5, 583.0, 583.0; May 590.1, 592.0, 590.0; July 596.0, 598.0, untraded; Oct 587.1, 589.0, u/t; Dec 591.0, 592.0, u/t; Mar 597.1, 600.0, u/t; May 602.0, 609.0, 605.0. Sales: 25.

INDICES

FINANCIAL TIMES

Nov. 14	Nov. 13	M'th ago	Year ago
294.90	296.22	293.73	284.88

(Base: July 1 1952 = 100)

REUTERS

Nov. 15	Nov. 14	M'th ago	Year ago
1867.0	1868.9	1895.4	1888.9

(Base: September 18 1931 = 100)

MOODY'S

Nov. 7	Oct. 31	M'th ago	Year ago
966.0	958.5	963.7	1010.4

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Nov. 7	Oct. 31	Month ago	Year ago
Spot	126.26	—	123.97	135.22
Fut	130.13	127.56	124.52	143.84

(Base: December 31 1974 = 100)

U.S. deputy agriculture secretary resigns

WASHINGTON—Mr William Lesher, U.S. Assistant Agriculture Secretary for Economics, has resigned, effective from next January 20. In a resignation letter to President Ronald Reagan, Mr Lesher said he would be ready to stay in his post for a while after that date, which marks the start of Mr Reagan's second term of office.

He said: "Being part of the Reagan Administration the past four years had been the highlight of my professional life . . . However, it is time for someone else to be given a chance to serve in my current position."

Reuter

Butter information chief appointed

MR CHRIS BIRD, 35, is to take over as chief executive of the Butter Information Council from January 2. He will be on secondment from the Milk Marketing Board, for which he is currently manager of its central testing laboratory, Watercombe, Somerset.

The council represents the dairy-farmers of Denmark, France, the Republic of Ireland, the Netherlands, New Zealand and the UK.

AMERICAN MARKETS

NEW YORK, November 15

Gold and silver came under pressure as a weak tone to currencies encouraged fresh dealer selling reports Heinold Commodities. Copper was featureless closing slightly lower on a build-up in Comex stocks. Sugar values were steady to higher on a lack of follow-through selling which encouraged light profit-taking. Cocoa rallied on expectations that supplies will be tight into December's delivery period. Coffee was under pressure from profit-taking based on an overbought condition. Cotton was steady on the lack of fresh producer offers. Heating oil prices weakened on further cuts in crude prices by Mobil. Grains lacked fresh fundamental developments with wheat attracting light buying interest on technical considerations. Soyabeans were weak on abundant cash meal supplies.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	55.05	55.10	54.65	54.35
Jan.	55.50	55.40	55.40	54.80
March	56.50	56.55	56.10	55.80
May	57.55	57.40	57.25	56.85
July	58.60	58.30	58.30	57.90
Sept.	59.65	59.45	59.35	58.95
Dec	61.30	61.10	61.00	60.60
Jan	61.85	—	—	61.15
March	62.95	—	—	62.25

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2353	2375	2300	2311
March	2260	2277	2247	2259
May	2267	2277	2250	2258
July	2270	2270	2262	2259
Sept	2270	2270	2270	2262
Dec	2215	2217	2215	2218
March	—	—	—	2220

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	143.88	44.25	43.15	44.07
March	139.50	40.20	39.00	39.87
May	138.00	38.40	37.50	38.20
July	136.50	36.79	36.00	36.75
Sept	135.00	35.35	34.40	35.25
Dec	133.00	33.40	33.00	33.05
March	130.50	—	—	32.03

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Nov	59.75	—	—	59.75
Dec	59.90	60.15	59.30	59.95
Jan	60.45	—	—	60.50
March	61.45	61.70	60.85	61.50
May	62.50	62.60	61.95	62.55
July	63.55	63.50	63.00	63.60
Sept	64.65	64.70	64.20	64.70
Dec	66.20	66.35	65.85	66.30
Jan	66.70	—	—	66.80

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	64.13	64.24	64.06	64.20
March	66.03	66.05	65.90	65.99
May	67.57	67.60	67.36	67.47
July	68.75	68.75	68.66	68.78
Oct	68.70	68.80	68.62	68.70
Dec	68.85	68.95	68.85	68.95
March	69.95	—	—	69.95

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Dec	—	—	—	28.44
Jan	28.24	28.25	28.12	28.27
Feb	28.07	28.07	27.94	28.07
March	27.88	27.88	27.76	27.91
April	27.78	27.80	27.69	27.81
May	27.72	27.71	27.68	27.72
June	27.60	27.60	27.60	27.65
July	27.70	27.70	27.65	27.63
August	—	—	—	27.57
Sept	—	—	—	27.57

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	344.6	—	—	346.5
Dec	345.8	346.4	344.7	347.8
Jan	348.5	—	—	350.5
Feb	351.2	351.6	350.1	353.3
April	356.5	356.8	355.5	358.7
June	362.4	32.4	361.5	364.7
August	368.4	368.5	368.5	370.9
Oct	374.6	—	—	377.3
Dec	381.3	382.0	381.0	384.1
Feb	388.3	—	—	391.3
April	395.2	—	—	398.4
June	402.9	404.5	403.9	406.2
August	410.7	—	—	414.2

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Dec	78.70	78.85	78.40	78.76
Jan	79.75	79.90	79.40	79.78
Feb	79.40	79.40	79.00	79.32
March	76.30	76.20	76.00	76.25
April	73.00	73.10	72.70	73.05
May	72.35	72.60	72.35	72.40
June	71.50	—	—	71.50
July	—	—	—	71.00
August	—	—	—	71.00
Sept	—	—	—	71.00

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	165.00	65.30	64.50	64.95
Jan	168.50	68.70	67.00	68.50
March	169.20	69.00	68.65	69.15
Sept	166.80	66.80	66.70	67.20
Nov	168.50	—	—	66.50
Jan	163.95	—	—	61.95
March	163.95	—	—	63.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	327.8	—	—	332.2
Dec	332.0	—	—	—
Jan	332.3	335.5	332.0	336.6
April	340.2	343.0	340.0	344.3
July	348.1	350.0	349.0	352.2
Oct	356.1	357.5	357.5	360.1
Jan	364.1	—	—	368.1

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	759.8	—	—	766.7
Dec	762.5	767.5	758.0	769.5
Jan	768.7	766.5	765.0	775.7
March	781.0	785.5	778.0	788.1
May	793.9	798.5	793.0	801.3
July	807.1	810.0	804.0	814.7
Sept	821.5	825.0	821.0	829.4
Dec	844.0	848.0	844.5	852.4
Jan	851.6	—	—	860.4

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	5.10	5.13	5.09	5.10
March	5.60	5.66	5.58	5.59
May	5.96	5.99	5.92	5.90
July	6.23	6.25	6.19	6.19
Sept	6.49	6.49	6.48	6.44
Oct	6.69	6.70	6.65	6.63
Jan	7.14	7.25	7.10	7.10
March	7.66	7.69	7.65	7.63

CHICAGO

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	51.52	51.87	51.20	51.42
Feb	52.15	52.45	51.77	52.10
April	48.57	58.90	58.37	58.52
June	52.32	52.65	52.15	52.30
July	53.35	53.42	53.15	53.35
August	51.02	51.20	50.95	50.97
Oct	47.92	47.95	47.37	47.72
Dec	48.70	48.70	48.70	48.75
Feb	48.50	48.50	48.50	48.45

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	66.05	66.10	65.45	65.95
Feb	65.20	65.45	64.95	65.27
April	67.12	67.40	66.90	66.97
June	66.82	67.05	66.65	66.70
August	64.97	65.10	64.75	64.92
Oct	62.85	63.05	62.85	62.75
Dec	64.40	64.40	64.40	64.40

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	69.97	70.10	69.00	69.12
March	70.10	70.20	69.12	69.35
May	71.15	71.45	70.55	70.57
July	71.90	71.95	71.10	71.10
August	69.60	70.00	69.40	68.65
Feb	69.00	69.00	68.80	67.85
March	68.75	68.75	68.75	67.25

MAIZE 5,000 bu min; cents/56lb-bushel

	Close	High	Low	Prev
Dec	275.4	275.6	274.4	275.2
March	282.8	283.0	281.6	282.2
May	289.0	289.4	288.0	288.6
July	292.6	293.2	292.0	292.4
Sept	288.6	289.4	288.6	288.6
Dec	286.6	287.4	286.2	286.6
March	295.4	—	—	295.0

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Nov	612.4	615.2	612.0	616.2
Jan	625.2	628.0	624.0	628.0
March	639.2	642.2	637.6	641.6
May	651.4	655.4	650.0	653.6
July	661.4	665.0	661.0	664.2
August	661.4	664.4	660.4	663.6
Sept	652.0	654.0	649.0	653.0
Nov	649.2	652.0	647.0	650.0
Jan	663.0	—	—	664.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	150.2	151.2	150.1	151.3
Jan	153.4	154.5	153.3	155.1
March	159.7	160.5	159.5	161.3
May	165.3	166.5	165.3	166.9
July	171.1	172.0	171.0	172.6
August	172.0	174.0	172.0	172.5
Sept	172.9	—	—	173.0
Oct	173.9	175.2	173.5	174.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	29.21	29.48	29.15	29.52
Jan	27.68	27.87	27.40	27.82
March	26.28	26.50	26.20	26.52
May	25.60	25.90	25.65	25.92
July	25.15	25.45	25.15	25.40
August	24.80	25.15	24.90	25.00
Sept	24.55	24.85	24.55	24.75
Oct	24.30	24.30	24.30	24.38
Dec	24.02	24.05	23.75	23.90

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	355.0	356.4	351.0	351.8
March	358.6	359.0	355.2	356.4
May	352.6	353.4	350.6	351.4
July	341.2	341.4	340.0	340.8
Sept	345.2	345.2	344.2	345.0
Dec	356.0	357.0	356.0	356.2

SPOT PRICES — Chicago loose lard 32.00 (33.50) cents per pound. New York tin 651.0-64.0 (648.0-54.0) cents per pound. Handy and Harman silver bullion 760.0 (762.0) cents per troy ounce.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Intervention depresses dollar

Trading patterns were again unclear in currency markets yesterday. Fears that U.S. interest rates may not fall much further for the time being failed to underpin the dollar as reports reached the market of late dollar sales by the Bundesbank. The scale of intervention was not thought to have been significantly high but the very presence of the Bundesbank was enough to spark off further dollar sales.

In addition the U.S. Federal Reserve Board arranged overnight repurchase agreements which depressed interest rates while U.S. industrial production and consumer credit figures were lower than expected. On the other hand U.S. money supply figures, due for release after the close of business in London, were expected to show a rise. Against this background the dollar's medium term outlook appeared far from clear. Against the D-mark it fell to DM2.9610 from DM2.9710 and SwFr2.4410 from SwFr2.4475. Against the yen it was unchanged at Y242.35 but fell against the French franc to FFr9.0875 from FFr9.1150. On Bank of England figures, the dollar's index rose to 139.1 from 138.8, falling to reflect its late decline.

STERLING—Trading range against the dollar in 1984 is 1.4905 to 1.1875. October average 1.2207. Exchange rate index unchanged from Wednesday's close at 76.5 having touched a high of 76.6 and a low of 76.4 and compared with 79.9 six months ago.

Sterling showed very little overall change in rather dull trading. Indications of a continued but slow return to work by UK mine workers provided some background support while increased hopes of another cut in UK clearing bank base rates failed to have a depressing effect in view of a similar soft trend in U.S. interest rates. The pound finished at $1.2620-1.2630, a rise of just 20 points. It was unchanged against the D-mark at DM3.7425 but rose in terms of the yen to Y305.75 from Y305.50. It was also firmer against the French franc at FFr11.4850 from FFr11.4825 but eased slightly against the Swiss franc to SwFr3.08 from SwFr3.0825.

D-MARK — Trading range against the dollar in 1984 is 3.1410 to 2.5535. October average 3.0676. Trade weighted index 122.4 against 125.0.

The dollar was fixed at DM2.9645 at yesterday's fixing in Frankfurt up from DM2.9490 on Wednesday and the Bundesbank sold $19.1m at the fixing. There were no obvious indications of any open market intervention by the German authorities but the possibility of a repeat of Wednesday's surprise intervention restricted the scope for a higher dollar. The dollar was firmer nevertheless in rather unsettled trading, as the market reacted to the possibility of higher U.S. interest rates. Elsewhere sterling was unchanged at DM3.7430 as was the French franc at DM32.57 per FFr100 while the Belgian franc improved to DM4.9530 per BFr100 from DM4.9480.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Nov 15	Previous
8.30 am	—	—
9.00 am	76.6	76.6
10.00 am	76.5	76.5
11.00 am	76.5	76.5
Noon	76.6	76.6
1.00 pm	76.4	76.6
2.00 pm	76.5	76.5
3.00 pm	76.5	76.4
4.00 pm	76.5	76.5

£ in New York

	November 15	Prev. close
£ Spot	$1.2615-2625	$1.2625-2635
1 month	0.04½-0.03 pm	0.06-0.04 pm
3 months	0.01-0.05 dis	par-0.03 dis
12 months	1.10-1.20 dis	0.95-1.05 dis

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu November 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.0517	+0.34	+0.40	±1.5428
Danish Krone ...	8.14104	8.06509	−0.93	−0.87	±1.6421
German D-Mark	2.24184	2.23266	−0.41	−0.35	±1.1463
French Franc ...	6.87456	6.85664	−0.26	−0.20	±1.3659
Dutch Guilder ...	2.52595	2.51804	−0.31	−0.25	±1.5165
Irish Punt	0.72569	0.718919	−0.93	−0.87	±1.6671
Italian Lira	1403.49	1388.92	−1.04	−1.04	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

Nov 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2590-1.2665	1.2620-1.2630	0.05-0.02c pm	0.33	0.01-0.05dis	−0.09
Canada	1.6600-1.6650	1.6600-1.6610	0.16-0.24c dis	−1.44	0.53-0.65dis	−1.42
Nethlnd.	4.21½-4.23¼	4.21½-4.22½	1⅝-1⅜c pm	4.26	4⅛-3⅞pm	3.79
Belgium	75.35-75.74	75.50-75.60	2-8c dis	−0.79	10-21dis	−0.82
Denmark	13.50-13.53½	13.51-13.52	1⅞-2⅞ore dis	−2.11	7-8dis	−2.22
Ireland	1.2040-1.2070	1.2050-1.2060	0.35-0.50p dis	−4.23	1.28-1.51dis	−4.63
W. Ger.	3.73-3.75¼	3.73¾-3.74¾	1½-1⅜pf pm	4.41	3⅞-3⅝pm	3.96
Portugal	201.00-204.10	201.05-203.75	175-500c dis	−20.01	555-1700dis	−22.28
Spain	209.50-210.20	209.55-209.75	55-80c dis	−3.86	170-225dis	−3.77
Italy	2312½-2333¼	2324¼-2325¼	8-11lire dis	−4.90	31-35dis	−5.68
Norway	10.88-10.92	10.89½-10.90½	2⅝-3⅛ore dis	−3.30	8⅞-9⅜dis	−3.40
France	11.44¾-11.51½	11.48-11.49	¼-1¼c dis	−0.85	3¾-4⅜dis	−1.37
Sweden	10.73½-10.77½	10.73½-10.74½	1½-2ore dis	−1.95	5-5⅝dis	−1.00
Japan	305¾-307¼	305¼-306¼	1.00-0.91y pm	3.75	2.64-2.50pm	3.26
Austria	26.25-26.36	26.26-26.33	6⅞-5⅞gro pm	2.65	18¾-13¾pm	2.30
Switz.	3.07½-3.09¼	3.07½-3.08½	1⅝-1⅜c pm	5.60	3¾-3⅛pm	4.63

Belgian rate is for convertible francs. Financial franc 75.75-75.90. Six-month forward dollar 0.28-0.33c dis. 12-month 1.15-1.30c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2590-1.2665	1.2620-1.2630	0.05-0.02c pm	0.33	0.01-0.05dis	−0.08
Ireland†	1.0463-1.0495	1.0485-1.0495	0.45-0.35c pm	4.58	1.25-1.10pm	4.51
Canada	1.3152-1.3171	1.3162-1.3167	0.19-0.22c dis	−1.87	0.44-0.49dis	−1.41
Nethlnd.	3.3325-3.3505	3.3450-3.3460	1.05-1.02c pm	3.71	3.18-3.15pm	3.79
Belgium	59.70-59.95	59.70-59.80	4½-5½c disc	−1.00	9-11dis	−0.67
Denmark	10.70-10.71¼	10.70¾-10.71¼	1½-2ore dis	−1.96	3-3½dis	−1.21
W. Ger.	2.9555-2.9710	2.9605-2.9615	1.00-0.95pf pm	3.94	3.00-2.95pm	4.01
Portugal	160½-162½	161-162	150-450c dis	−22.29	450-1350dis	−22.29
Spain	166.20-166.40	166.20-166.40	50-60c dis	−3.96	140-160dis	−3.60
Italy	1,833¾-1,847¾	1,840½-1,841½	8½-9lire dis	−5.68	25¾-26dis	−5.57
Norway	8.62½-8.64	8.63¼-8.63¾	2.30-2.80ore dis	−3.54	6.90-7.40dis	−3.31
France	9.0750-9.1200	9.0870-9.0880	0.85-1.00c dis	−1.22	2.90-3.20dis	−1.34
Sweden	8.51¾-8.53¼	8.52½-8.53	1.55-2.05ore dis	−2.53	4.25-4.75dis	−2.11
Japan	242.00-242.85	242.30-242.40	0.59-0.65y pm	3.31	2.15-2.10pm	3.50
Austria	20.82¾-20.88	20.85-20.88	4.20-3.70gro pm	2.27	13.25-11.25pm	2.35
Switz	2.4360-2.4480	2.4405-2.4415	1.04-0.98c pm	4.96	2.86-2.80pm	4.63

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 60.00-60.10.

OTHER CURRENCIES

Nov. 15	£	$		£ Note Rates
Argentina Peso	163.84-164.13	129.88-130.00	Austria	26.25-26.65
Australia Dollar	1.4700-1.4720	1.1655-1.1660	Belgium	75.70-76.50
Brazil Cruzeiro	3,387.12-3,408.23	2,685-2,698	Denmark	13.48-13.62
Finland Markka	7.8288-7.8603	6.2070-6.2090	France	11.44-11.56
Greek Drachma	152.38-155.85	120.60-123.56	Germany	3.72¾-3.76¾
Hong Kong Dollar	9.8650-9.8750	7.8200-7.8230	Italy	2315-2345
Iran Rial	115.65*	91.40*	Japan	305-310
Kuwait Dinar(KD)	0.37858-0.38005	0.30080-0.30098	Netherlands	4.20¾-4.24¾
Luxembourg Fr.	75.50-75.60	59.70-59.80	Norway	10.86-10.97
Malaysia Dollar	3.0200-3.0260	2.3940-2.3970	Portugal	200-213
New Zealand Dlr.	2.5440-2.5490	2.0140-2.0170	Spain	207-217½
Saudi Arab. Riyal	4.4925-4.4975	3.5600-3.5610	Sweden	10.72-10.83
Singapore Dollar	2.7040-2.7100	2.1440-2.1460	Switzerland	3.07-3.10
Sth African Rand	2.2215-2.2291	1.7545-1.7590	United States	1.25¼-1.27½
U.A.E. Dirham	4.6305-4.6360	3.6720-3.6750	Yugoslavia	269-286

* Selling rates.

CURRENCY RATES

Nov. 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.795730	0.596344
U.S. $	9	1.00190	0.751989
Canadian $	11.45	*	0.989844
Austria Sch.	4½	20.9650	15.6940
Belgian Fr	11	60.3658	45.0517
Danish Kr.	7	10.7753	8.06509
Dmark	4½	2.98285	2.23266
Guilder	5	3.36872	2.51804
French Fr.	9½	9.16589	6.85664
Lira	15½	1856.75	1388.92
Yen	5	244.253	182.621
Norwgn Kr.	8	8.68744	6.49794
Spanish Pta.	½	167.351	125.206
Swedish Kr.	9	8.56972	6.41710
Swiss Fr.	4	2.45863	1.83952
Greek Dr'ch	20½	123.309	92.1112
Irish Punt	13¾	0.961941	0.718919

*C$/SDR rate for November 14: 1.32750.

CURRENCY MOVEMENTS

Nov 15	Bank of England Index	Morgan Guaranty Changes%
Sterling	76.5	−14.0
U.S. dollar	139.1	+26.0
Canadian dollar	89.5	−3.6
Austrian schilling	112.6	+3.5
Belgian franc	89.3	−10.8
Danish Kroner	77.3	−5.7
Deutsche mark	122.4	+6.9
Swiss franc	142.5	+10.3
Guilder	112.8	+3.6
French franc	64.7	−16.0
Lira	46.7	−14.3
Yen	156.6	+12.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

EXCHANGE CROSS RATES

Nov. 15	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.265	3.743	305.8	11.49	3.080	4.220	2325.	1.661	75.55
U.S. Dollar	0.792	1.	2.962	242.4	9.088	2.441	3.346	1841.	1.316	59.75
Deutschemark	0.267	0.337	1.	81.70	3.069	0.823	1.128	621.2	0.444	20.19
Japanese Yen 1,000	3.271	4.129	12.24	1000.	37.56	10.07	13.80	7603.	5.431	247.1
French Franc 10	0.871	1.099	3.259	266.2	10.	2.682	3.674	2024.	1.446	65.78
Swiss Franc	0.325	0.410	1.215	99.27	3.729	1.	1.370	754.8	0.539	24.53
Dutch Guilder	0.237	0.299	0.887	72.46	2.722	0.730	1.	550.9	0.393	17.90
Italian Lira 1,000	0.430	0.543	1.610	131.5	4.940	1.325	1.815	1000.	0.714	32.50
Canadian Dollar	0.602	0.760	2.254	184.1	6.917	1.855	2.541	1400.	1.	45.50
Belgian Franc 100	1.324	1.671	4.954	404.7	15.20	4.077	5.586	3077.	2.198	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10-10¼	9⅛-9¼	11¼-11¾	5⅝-5¾	1¼-1⅜	5½-5⅝	11-11⅛	14¾-15¾	10¾-11¼	10¾-11	6-6⅛	12-12⅛
7 days' notice	10-10⅛	9⅜-9½	11¼-11¾	5⅝-5¾	1¼-1⅜	5½-5⅝	10⅞-11	14¾-15¼	10½-11	10⅝-10⅞	6⅛-6¼	11¾-12¼
Month	9⅞-10⅛	9⅜-9½	11⅛-11⅜	5¾-5⅞	4⅛-4⅜	5⅛-5⅝	10¾-10⅞	15⅛-15⅝	10⅝-10⅞	10⅝-10⅞	6⅛-6⅜	11⅝-12⅛
Three months	10½-10⅞	9⅝-9¾	11-11¼	6-6⅛	5⅜-5⅝	5¾-5⅞	11-11¼	15¼-15¾	10⅝-10⅞	10⅝-10⅞	5⅝-6	11⅞-12⅛
Six months	10½-10⅞	10-10⅛	11⅛-11⅜	6⅛-6¼	5⅜-5⅝	5⅜-5⅝	11½-11⅝	15½-15⅞	10¼-10¾	10⅝-10⅞	6⅛-6⅜	11¾-12¼
One year	9⅞-10	10⅝-10¾	11¼-11⅝	6⅛-6⅜	5⅛-5⅜	5⅛-5⅜	12-12⅛	15¼-15¾	10⅝-11⅛	10⅝-10⅞	6⅜-6⅝	11¾-12¼

Asian $ (closing rates in Singapore): Short-term 9½-9⅝ per cent; seven days 9½-9⅝ per cent; one month 9⁷⁄₁₆-9⁹⁄₁₆ per cent; three months 9¹¹⁄₁₆-9¹³⁄₁₆ per cent; six months 10¹⁄₁₆-10³⁄₁₆ per cent; one year 10⅜-10½ per cent. Long-term Eurodollars: two years 11⅝-11⅞ per cent; three years 12-12¼ per cent; four years 12¼-12½ per cent; five years 12⅜-12⅝ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

London rates slightly easier

Interest rates were slightly easier on the London money market yesterday, but market levels have now reached a point where no major change is expected before a reduction in clearing bank base rates. It is anticipated that base rates will be cut by another ½ per cent to 9½ per cent around the end of this month, although the timing is somewhat in doubt owing to the British Telecom share issue on November 28.

UK clearing banks' base lending rate 10 per cent since November 7

Expectations of lower base rates were again illustrated by the reluctance of the discount houses to sell bills outright to the authorities at the present intervention rates, and most of the help was provided by way of late assistance.

On the interbank market three-month money eased to 9⁹⁄₁₆ per cent from 9⅝ per cent, while the discount house buying rates for three-month bank bills were unchanged at 9⁹⁄₁₆ per cent.

The Bank of England forecast a market shortage of £450m, but this was revised later to £500m, and then back to £450m in the afternoon. Total help provided by the authorities was only £338m, and once again the houses proved reluctant sellers of bills outright.

Before lunch the Bank of England gave help of £74m, including £5m outright, by way of £2m bank bills in band 2 (15-33 days) at 9⅞ per cent, and £3m bank bills in band 3 (34-63 days) at 9¾ per cent.

Another £69m bills were bought for repurchase by the market on December 18 at 9⅞ per cent.

In the afternoon the authorities purchased £74m bills outright, through £21m local authority bills in band 1 (up to 14 days maturity) at 10 per cent; £6m bank bills at band 1 at 10 per cent; and £47m bank bills in band 2 at 9⅞ per cent.

The Bank of England also provided late assistance of around £190m.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills from last Friday's tender drained £193m, with the unwinding of repurchase agreements absorbing £509m, and a rise in the note circulation another £20m. These were partly offset by Exchequer transactions adding £225m to liquidity, assisted by a housing benefit subsidy of around £300m paid to local authorities, and bank balances above target of £40m.

MONEY RATES

Nov. 15	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	11¼	1⅜-1⅝	5½-5⅝	6.09375	16⅞-17¼	9.90	13⅝-13⅞
One month	5.60-5.70	10⁹⁄₁₆-10¹¹⁄₁₆	4⅛-4⅜	5⅜-5⅝	6.21875	16⅞-17¼	10⅝-10⅞	13⅝-13⅞
Two months	5.90-6.05	10⁹⁄₁₆-10¹¹⁄₁₆	—	—	—	—	—	13¾-14
Three months	5.90-6.00	10⁹⁄₁₆-10¹¹⁄₁₆	5⅛-5¼	5⅞-6⅛	6.28125	17⅛-17½	10⅝-10⅞	13¾-14
Six months	5.90-6.00	10⁹⁄₁₆-10¹¹⁄₁₆	—	6⅛-6⅜	—	—	10⅝-10⅞	13¾-14
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11	—	5¾	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Nov. 15 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	9⅛-15⅛	10	10¼	9¾-10¼	—	—	—	—	—
2 days notice	—	—	10-10⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	10-10⅛	10-10⅛	10⅛-10⅛	10-10⅛	—	—	—	—	—
One month	10⅛-9⅞	10-10¼	10⅛	10¼-10⅛	9¾-9⅞	9⅞	9⁹⁄₁₆	9⅞	9⅝	10⅛
Two months	9⅞-9⅞	9⅞-10	9⅞	10⅛	9⅞-9¾	9⅝	9⁹⁄₁₆	9½-9⅝	9⅝-9⅞	10⅛
Three months	9⅞-9⅝	9¾-9⅞	9¾	10⅛	9⅝-9½	9⅝	9¼	9⅝-9⅞	9¼-9⅜	9½
Six months	9⅞-9⅝	9¾-9⅞	9¾	—	—	—	—	9⅝	9⅝	9⅝
Nine months	9⅞-9⅝	9⅞-10	—	—	—	—	—	—	—	—
One year	9⅞-9⅝	9⅞-10⅛	9⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10½-10¼	—	9⅞	9.35-9.45	8⅞-8¾	9⅛-9⅝
Two months	10¼-10⅛	—	9⅞	9.4-9.5	8⅞-8⅞	9⅛-9¾
Three months	10¼-10⅛	—	9⅞	9.55-9.65	8¾-9	9⅛-9¾
Six months	9⅞-9¾	—	9⅞	9.9-10.0	8⅞-9⅛	9⅝-9⅞
Nine months	10⅛-9⅞	—	9⅞	10.2-10.4	—	—
One year	10⅛-9⅞	—	10⅛	10.45-10.65	9⅛-9⅜	9⅞-10⅛
Two years	—	10¼	—	—	—	—
Three years	—	10½	—	—	—	—
Four years	—	10½	—	—	—	—
Five years	—	10⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period October 3 to November 6 1984 (inclusive): 10.616 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.4583 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-nine months 10¼ per cent; nine-12 months 10¼ per cent. Under £100,000 9¾ per cent from November 7. Deposits held under Series 5 10¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. November 15)

3 months U.S. dollars

bid 9 13/16	offer 9 15/16

6 months U.S. dollars

bid 10 1/8	offer 10 1/4

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11¾
Broker loan rate	10¾-10½
Fed funds	9⅜
Fed funds at intervention	9⁵⁄₁₆

Treasury Bills

One month	7.50
Two month	8.30
Three month	8.65
Six month	8.96
One year	9.13

Treasury Bonds

Two year	101¹¹⁄₃₂
Three year	99²⁷⁄₃₂
Four year	100¼
Five year	104¼
Seven year	102⅝
10 year	99⁷⁄₃₂
30 year	100¾

FINANCIAL FUTURES

Slightly weaker

Dollar denominated interest rate contracts opened very weak on the London International Financial Futures Exchange yesterday, and despite showing a firmer trend in the afternoon finished lower on the day. Eurodollars for December delivery opened at 89.95, depressed by an overnight estimate from the U.S. Administration that the budget deficit for the present financial year may reach $210bn. United States industrial production in October was expected to record a small rise, and the announcement of an unchanged figure confirmed recent predictions of a slow down in economic growth. The December contract touched a low of 89.87, but improved to close at the day's high of 90.01 compared with 90.04 at the previous settlement.

U.S. Treasury bonds also opened weak at 69-27 for December delivery, and traded within a range of 69-23 to 70-02, depressed by the continued high level of the Federal funds rate at around 9½ per cent in New York. The contract also suffered from expectations of a large rise in U.S. M1 money supply, and closed at 69-30 compared with 70-12 on Wednesday.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.01	90.01	89.87	90.04
March	89.51	89.51	89.36	89.55
June	89.05	89.05	88.90	89.12
Sept	88.65	88.65	88.50	88.72
Dec	88.26	88.26	88.20	88.33

Estimated volume 5,416 (5,481)
Previous day's open int 11,836 (11,668)

THREE-MONTH STERLING
£250,000 points of 100%

	Close	High	Low	Prev
Dec	90.35	90.37	90.22	90.26
March†	90.48	90.49	90.40	90.42
June†	90.34	90.36	90.27	90.30
Sept†	90.08	—	—	90.02
Dec†	89.78	—	—	89.75

Estimated volume 1,417 (890)
Previous day's open int 6,844 (6,786)
† £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Dec	109-15	109-26	109-05	109-17
March	108-28	—	—	108-28
June	108-09	—	—	108-11
Sept	111-13	—	—	111-15

Estimated volume 3,472 (3,407)
Previous day's open int 2,961 (3,163)
Basis quote (clean cash price of 13¼pc Treasury 2003 less equivalent price of near futures contract) 02 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.2615	1.2626	1.2596	1.2625
March	1.2627	1.2640	1.2627	1.2630
June	1.2660	—	—	1.2655

Estimated volume 12 (461)
Previous day's open int 8,932 (8,956)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3379	0.3388	0.3375	0.3384
March	0.3413	—	—	0.3417
June	—	—	—	0.3716

Estimated volume 7 (346)
Previous day's open int 288 (372)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4101	—	—	0.4112
March	—	—	—	—
June	—	—	—	0.4456

Estimated volume nil (nil)
Previous day's open int 544 (544)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4129	0.4133	0.4129	0.4141
March	—	—	—	—
June	—	—	—	0.4323

Estimated volume 20 (2)
Previous day's open int 386 (384)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
Dec	117.25	118.10	117.20	118.15
March	117.40	—	—	118.30
June	117.75	118.10	117.75	103.50

Estimated volume 253 (293)
Previous day's open int 890 (916)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	69-30	70-02	69-23	70-12
March	69-04	—	—	69-20

Estimated volume 1,635 (1,757)
Previous day's open int 2,156 (2,177)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	70-01	70-03	69-24	70-05
March	69-06	69-09	68-30	69-12
June	68-18	68-20	68-10	68-23
Sept	68-01	68-02	67-26	68-05
Dec	67-18	67-18	67-12	67-22
March	—	—	—	67-09
June	66-26	—	—	66-30
Sept	—	—	—	—
Dec	—	—	—	66-10
March	—	—	—	66-01
June	—	—	—	65-25

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	91.19	91.21	91.12	91.21
March	90.72	90.72	90.64	90.75
June	90.27	90.27	90.22	90.32
Sept	89.88	89.88	89.83	89.94
Dec	89.54	89.54	89.50	89.60
March	89.19	89.19	89.18	89.26
June	88.89	88.91	88.89	88.96
Sept	88.62	—	88.62	88.67

CERT DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.36	90.37	90.29	90.37
March	89.85	89.86	89.77	89.88
June	89.38	89.38	89.33	89.44

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	89.96	89.96	89.89	89.98
March	89.46	89.48	89.40	89.53
June	89.01	89.01	88.95	89.04
Sept	88.58	88.59	88.53	88.62
Dec	88.19	88.21	88.13	88.23
March	87.83	87.83	87.78	87.87
June	87.47	87.47	87.41	87.51
Sept	87.15	87.15	87.08	87.18

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.2620	1.2640	1.2595	1.2625
March	1.2640	1.2655	1.2610	1.2635
June	1.2680	1.2680	1.2655	1.2655
Sept	1.2700	1.2700	1.2665	1.2670
Dec	—	—	—	1.2690

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-05	68-06	67-30	68-06
March	67-13	67-14	67-07	67-14
June	—	66-26	66-19	66-27
Sept	66-17	66-17	66-09	66-14
Dec	—	—	—	66-02
March	—	—	—	—
June	—	—	—	65-13

$ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, November 14, 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particularly transactions.

Bank of American NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of November 14 at 11.00 a.m.
3 months: 9¾ 6 months: 10

ECU=$US.751918 SDRI=$1.0063
Sibor as of November 14 at 11.00 a.m.
3 months: 9¹¹⁄₁₆ 6 months: 10¹⁄₁₆

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	8.00
Algeria	Dinar	5.01
Andorra	Fr. Franc	9.1125
	Sp. Peseta	166.45
Angola	Kwanza	29.918
Antigua	E. Caribbean $	2.70
Argentina	New Peso (o)	137.97
Australia	Dollar	1.1629
Austria	Schilling	20.8675
Azores	Port. Escudo	161.00
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	166.45
Bangladesh	Taka	25.50
Barbados	Dollar	2.0113
Belgium	Franc (C)	59.9675
	Franc (F)	60.245
Belize	Dollar	2.00
Benin	C.F.A. Franc	455.625
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	11.97
Bolivia	Peso (o)	5000.00
	Peso (d)	15100
Botswana	Pula	1.4684
Brazil	Cruzeiro (o)	2691.50
Brunei	Dollar	2.146
Bulgaria	Lev	1.032
Burkina Faso	C.F.A. Franc	455.625
Burma	Kyat	8.4553
Burundi	Franc	121.932
Cameroun Rp.	C.F.A. Franc	455.625
Canada	Dollar	1.3142
Canary Is.	Sp. Peseta	166.45
Cape Verde Is	Escudo	89.2698
Cayman Is.	Dollar	0.839
Cen. Africa Rep	C.F.A. Franc	455.625
Chad	C.F.A. Franc	455.625
Chile	Peso (O) (5)	116.39
China	Renminbi Yuan	2.6404
Colombia	Peso (O)	109.53
Comoros	C.F.A. Franc	455.625
Congo Pple Rep. of	C.F.A. Franc	455.625
Costa Rica	Colon (4)	47.75
Cuba	Peso	0.8996
Cyprus	Pound*	1.6426
Czechoslovakia	Koruna (O)	6.95
Denmark	Krone	10.7275
Djibouti Rp. of	Franc	177.701
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
	Peso (d)	2.96
Ecuador	Sucre (o)	67.18
	Sucre (d)	120.40
	Sucre (f)	95.75
Egypt	Pound	0.8316
El Salvador	Colon	2.50
	Colon (d)	4.00
Eq'tl Guinea	Ekuele	332.90
Ethiopia	Birr (O)	2.0396
Faeroe Is'd	Dan. Krone	10.7275
Falkland Is'd	Pound*	1.2625
Fiji	Dollar	1.114
Finland	Markka	6.22
France	Franc	9.1125
Fr. C'ty in Af	C.F.A. Franc	455.625
Fr. Guiana	Franc	9.1125
Fr. Pac. Is'd	C.F.P. Franc	165.682
Gabon	C.F.A. Franc	455.625
Gambia	Dalasi	3.9604
Germany (E)	Ostmark (O)	2.9688
Germany (W)	Mark	2.9688
Ghana	Cedi	38.50
Gibraltar	Pound*	1.2625
Greece	Drachma	122.70
Greenland	Dan. Krone	10.7275
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	9.1125
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	83.528
Guinea Rep.	Syli	24.5308
Guyana	Dollar (6)	4.12
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
	Lempira (d)	2.65
Hong Kong	Dollar	7.8255
Hungary	Forint	49.9837
Iceland	Krona	34.03
India	Rupee	11.97
Indonesia	Rupiah	1064.00
Iran	Rial (o)	91.7224
Iraq	Dinar	0.3109
Irish Rep	Punt*	1.0441
Israel	Shekel	504.60
Italy	Lira	1848.60
Ivory Coast	C.F.A. Franc	455.625
Jamaica	Dollar (o) (9)	4.73
Japan	Yen	241.98
Jordan	Dinar	0.3853
Kampuchea	Riel	n.a.
Kenya	Shilling	14.6943
Kiribati	Aust. Dollar	1.1629
Korea (Nth)	Won	0.94
Korea (Sth)	Won	814.40
Kuwait	Dinar	0.3009
Lao P'ple D. Rep.	Kip	35.00
Lebanon	Pound	7.50
Lesotho	Loti	1.7544
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.4395
Luxembourg	Lux. Franc	59.9675
Macao	Pataca	8.1346
Madagascar D. R.	Franc	626.211
Madeira	Port. Escudo	161.00
Malawi	Kwacha	1.4928
Malaysia	Ringgit	2.3973
Maldive Is.	Rufiyaa (o)	5.93
	Rufiyaa (m)	7.05
Mali Rp	C.F.A. Franc	455.625
Malta	Lira*	2.1209
Martinique	Franc	9.1125
Mauritania	Ouguiya	67.16
Mauritius	Rupee	14.85
Mexico	Peso (d)	202.69
	Peso (e)	185.27
Miquelon	Fr. Franc	9.1125
Monaco	Fr. Franc	9.1125
Mongolia	Tugrik (o)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	9.05
Mozambique	Metica	43.216
Namibia	S.A. Rand	1.7544
Nauru Is.	Aust. Dollar	1.1629
Nepal	Rupee	16.729
Netherlands	Guilder	3.3467
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	2.0186
Nicaragua	Cordoba	10.00
	Cordoba (d)	200.00
Niger Rp.	C.F.A. Franc	455.625
Nigeria	Naira	0.7914
Norway	Krone (7)	8.6418
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	14.6778
Panama	Balboa	1.00
Papua N.G.	Kina	0.9162
Paraguay	Guarani (o,c)	240.00
	Guarani (d)	399.00
Peru	Sol (o)	4569.32
Philippines	Peso	19.965
Pitcairn Is	N.Z. Dollar	2.0186
Poland	Zloty (O) (3)	125.69
Portugal	Escudo	161.00
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.641
Reunion, Ile de la	Fr. Franc	9.1125
Romania	Leu (O)	5.07
Rwanda	Franc	102.067
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.2626
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	9.1125
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala	2.08
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1848.50
Sao Tome & Principe DR	Dobra	44.9688
Saudi Arabia	Riyal (2)	3.5595
Senegal	C.F.A. Franc	455.625
Seychelles	Rupee	7.1893
Sierra Leone	Leone	2.54
Singapore	Dollar	2.146
Solomon Is.	Dollar	1.2975
Somali Rep.	Shilling	17.556
South Africa	Rand	1.7544
Spain	Peseta	166.45
Span. Ports in N. Africa	Sp. Peseta	166.45
Sri Lanka	Rupee	26.045
Sudan Rep	Pound*	0.7692
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.7544
Sweden	Krone	8.5195
Switzerland	Franc	2.4395
Syria	Pound (O)	3.925
Taiwan	Dollar (O)	39.35
Tanzania	Shilling	17.45
Thailand	Baht (8)	26.60
Togo Rep	C.F.A. Franc	455.625
Tonga Is	Pa'anga	1.1629
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.8137
Turkey	Lira	411.95
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.1629
Uganda	Shilling	565.40
United Arab Emir.	Dirham	3.6727
Utd. Kingdom	Pound Sterling*	1.2625
Uruguay	Peso (m)	63.13
USSR	Rouble	0.852
Vanuatu	Vatu	99.9705
Vatican	Lira	1848.50
Venezuela	Bolivar (g)	7.50
	Bolivar (g) (1)	4.30
	Bolivar (o)	12.68
	Bolivar (d)	12.48
Vietnam	Dong (o)	10.3139
Virgin Is. Brit	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	6.075
Yemen PDR.	Dinar	0.3425
Yugoslavia	Dinar	186.29
Zaire Rep.	Zaire	39.3629
Zambia	Kwacha	2.002
Zimbabwe	Dollar	1.4035

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (a) Freemarket central bank. (o) Official rate. (b) Freemarket inter-bank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non-essential imports. (i) Floating tourist rate. (1) Venezuela: For debts incurred prior to February 1983. (2) Saudi Arabia: Sept. 18, Riyal devalued to 3.56. (3) Poland: Zloty officially devalued Sept. 1. (4) Costa Rica: Official devaluation effective Oct. 25. (5) Chile: Sept. 18. Official devaluation of 18 per cent. (6) Guyana: Oct. 7. Official devaluation of approx. 9 per cent. (7) Norway: Sept 23r Krone devalued by 2 per cent. (8) Thailand: Nov. 6. Official devaluation of approx. 14.8 per cent. (9) Jamaica: Nov. 8, rate adjustment fixed by Central Bank bi-weekly auction. For further information please contact your local branch of the Bank of America.

Legal Notices

THE COMPANIES ACT 1948
GRANGEWOD EQUIPMENT LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at The Podmore House, Ham Lane, Pedmore, Stourbridge, West Midlands, on the 27th day of November 1984, at 12.00 o'clock noon, for the purposes mentioned in sections 294 and 295 of the said Act, i.e.:

1. The nomination of a Liquidator
2. The appointment of a Committee of Inspection.

General and special forms of proxy are enclosed herewith. Proxies to be used at the meeting must be lodged at the Registered Office of the Company, situate at c/o J. E. Thomson & Co., 46 Hagley Road, Stourbridge, West Midlands, not later than 12.00 o'clock noon on the 26th day of November 1984.

Dated this 12th day of November 1984.

By Order of the Board,
TERRANCE JOHN FROST,
Secretary.

THE COMPANIES ACT 1948
J.P. BACON SUPPLIES LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Summerhill House Hotel, Swindon Road, Kingswinford, West Midlands, on the 22nd day of November 1984, at 12.00 o'clock noon, for the purposes mentioned in sections 294 and 295 of the said Act, i.e.:—

1. The nomination of a Liquidator.
2. The appointment of a Committee of Inspection.

General and special forms of proxy are enclosed herewith. Proxies to be used at the meeting must be lodged at the Registered Office of the Company, situate at c/o J. E. Thomson & Co., 46 Hagley Road, Stourbridge, West Midlands, not later than 12.00 o'clock noon on the 21st day of November 1984.

Dated this 7th day of November 1984.
By Order of the Board.
R. E. F. DUTTON,
Secretary.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 15.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

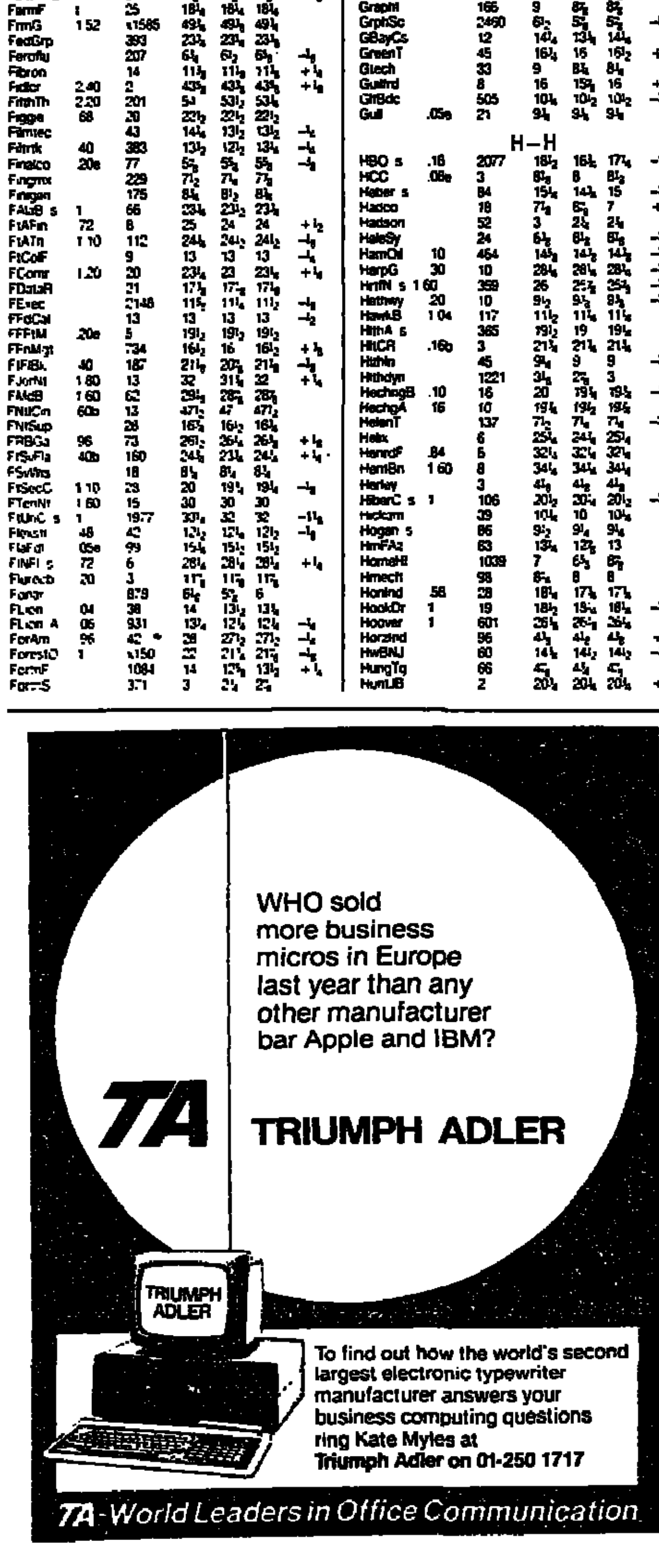
FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]						

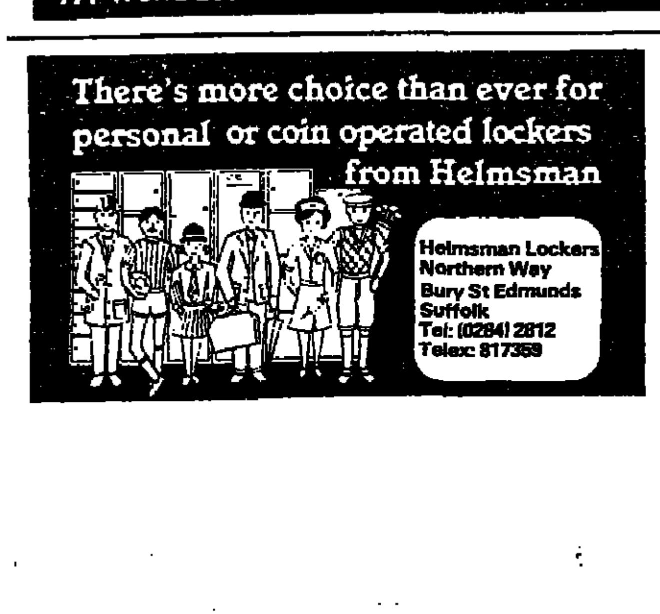
CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						

OVER-THE-COUNTER

Continued from Page 34

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					





Grand Met shows way with £50m Eurosterling issue

BY MAGGIE URRY IN LONDON

GRAND Metropolitan, the brewing, hotel and leisure group, showed UK corporate borrowers the way into the Eurosterling bond market yesterday with a £50m six-year issue, costing a mere 11 basis points more than yields on comparable UK Government bonds.

The bonds, dated 1990, have a 10⅞ per cent coupon and par issue price and with total commissions of 1⅞ per cent, the annual yield is 11.31 per cent compared with 11.20 per cent on gilts. The issue, lead managed by S. G. Warburg with Morgan Stanley, traded around 98¾, inside the fees.

In the Eurodollar sector warrants were back in fashion for borrowers, with four issues coming, but they found little interest among investors. Of the four, a $100m issue lead managed by Morgan Stanley for the Australian Industry Development Corporation, which has a government guarantee, fared best. The bonds have a five-year life and 11⅞ per cent coupon and traded inside the 1⅞ per cent fees. These warrants, which are priced at $22½ and buy into a five-year, 11½ per cent bond, held close to the issue price.

A $150m issue for Procter and Gamble brought by Salomon Brothers had a tougher time despite the borrower's triple A rating and scarce name – it has not made an issue since 1975. The warrants, priced at $24, were bid as low as $16, but recovered to $20. They buy into a five-year, 11 per cent bond. The host bonds, which pay 10⅞ per cent for three years, and can be extended on new terms up to 10 years, were bid at a 1½ per cent discount to the par issue price, compared with fees of 1⅞ per cent.

Goldman Sachs brought a $75m issue with warrants for Motorola. The 10-year bonds pay 12¼ per cent and were priced at 99¾, but were bid just outside the 2 per cent commissions. The warrants, which get into a 12 per cent, 10-year bond, were issued at $40, but were bid at $37.

Salomon Brothers also lead managed a $100m issue for Sumitomo Trust. The bonds, which have a seven-year life and 12⅝ per cent coupon, slipped to trade just inside the 1⅞ per cent commissions level. The warrants, priced at $25, buy into a seven-year 12½ per cent bond.

BHF Bank bond average		
Nov 15		Previous
101.988		102.014
High	1984	Low
102.141		98.056

Late in the day, Salomon Brothers announced an issue of 100,000 warrants for Ford Motor Credit, priced at $32. They have a five year life and buy into a 12¼ per cent bond dated January 1989.

Eurodollar bond prices fell by ¼ point yesterday morning, though firming a touch in the afternoon as New York opened stronger.

Sumitomo Realty and Development announced a SwFr 130m private placement managed by Credit Suisse. The bonds, dated March 1990, are expected to yield 2¼ per cent and will be convertible into shares.

Another public issue appeared from Soditic for Générale Occidentale for SwFr 80m. This too is a convertible, with the conversion premium likely to be set around 7 to 8 per cent and the yield at 4½ per cent for the 10-year bonds. The bonds will be redeemed at 120 to give a yield to maturity of 6 per cent, if they are not converted.

Banque Gutzwiller resurrected the New Zealand Steel Development public issue, giving a minimum size of SwFr 50m. The 12-year bonds will pay interest at ⅛ per cent over the yield on Swiss Confederation bonds with more than five years to run, and will be refixed after six years.

Swiss franc bonds were unchanged in medium turnover with traders uncertain about interest rates. The SwFr 100m convertible issue for Hitachi Cable started trading around 107¼ compared with a par issue price.

D-Mark bonds suffered a lack of interest among investors and turnover was low. Prices were ⅛ point lower where changed.

Yamaichi Securities priced the Y25bn Samurai issue for the Asian Development Bank with a 7 per cent coupon and 99.55 issue price, giving a simple yield of 7.061 per cent. The issue has a 15-year maturity.

WEEKLY U.S. BOND YIELDS (%)	Nov 14	Nov 7	1984 High	1984 Low
Composite Corp. AA	12.27	12.18	14.23	12.16
Government:				
Long-term	11.71	11.57	13.69	11.51
Intermediate	11.76	11.54	13.79	11.33
Short-term	10.87	10.78	13.22	10.70
Municipal	n/a	10.22	11.14	9.48
Industrials AAA	11.87	11.67	13.66	11.67
Industrials AA	12.18	11.90	14.13	11.98
Utilities AA	12.36	12.33	14.45	12.26
Preferred Stocks	11.31	11.44	12.17	11.07

Source: Standard & Poor's

Enel set to prepay $200m of credit

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

ENEL, Italy's state electric utility, is to prepay $200m of the $600m, 10-year credit raised in 1979 through Deutsche Bank and Banca Commerciale Italiana.

The decision comes after a lukewarm response to the borrower's efforts to refinance the credit on easier terms.

In August Enel said it wanted to convert the deal into an 8½ year loan bearing a margin of ⅜ point over Eurodollar rates. Originally the credit bore a split margin of ½ per cent for the first four years rising to ⅝ per cent thereafter.

The new margin was regarded, however, as too low by many of the banks in the credit, as a result of which only lenders responsible for $400m have agreed to the new terms. Enel, which is very liquid at the moment, said from the outset that it would prepay any amounts not refinanced.

Spain's state industrial holding company INI has awarded the mandate for its Ecu 75m, ten-year credit to Banque Indosuez which will lead the deal alongside Lloyds Bank International and Bank of Tokyo.

The credit which was hotly contested in the market will bear a margin of 40 basis points over Ecu deposits for the first seven years, falling to 30 points thereafter. It will carry certificates allowing short-term tranches to be sold in the secondary market.

Bankers said the margin structure is unusual for a credit with a bullet maturity where no principal is due until the end of its life, but the falling margin reflects the fact that after seven years banks may choose to treat the deal as a short-term loan.

Pakistan International Airlines is seeking $91m to finance the purchase of six Boeing 737–300 aircraft. National Westminster will be agent on the credit.

The five-year loan will bear interest at a margin of ⅝ per cent and repayment will be in ten equal semi-annual instalments starting after the first six months.

In a separate development Deutsche Bank's Luxembourg banking subsidiary said yesterday that its $150m credit launched last week for Deutsche Aussenhandelsbank of East Germany has been substantially oversubcribed.

The borrower, East Germany's foreign trade bank, is expected to agree an increase in the credit, although the final amount will not be set until next week because subscriptions are still flowing in.

U.S. Treasury issues

BY PAUL TAYLOR IN NEW YORK

THE U.S. Treasury yesterday announced the second offering of its new foreign-targeted notes for overseas investors. The Treasury said it would offer $1bn of five-year two-month notes aimed at foreign investors for sale on November 28 together with a $6.75bn domestic offering.

Last month the Treasury successfully completed the first auction of the specially registered government paper, selling $1bn of three-year 11-month notes. That first auction attracted $4bn in bids and produced an equivalent yield more than 30 basis points lower than the domestic issue, saving the Treasury about $3.2m in annual interest payments.

Currently the three-year 11-month notes trading about 20 basis points below the equivalent domestic issue.

Mr Thomas Healey, Treasury Secretary for Domestic Finance, said yesterday that the latest auction represented a continuing test of foreign demand for the new type of paper. He also said that the Treasury had considered increasing the size of the second overseas issue for $1bn but decided against it in the hope of "cultivating the market, not killing it." He added that the Treasury would consider any domestically scheduled issue with a maturity between two and 10 years as a candidate for an additional issue of foreign-targeted notes.